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Mr Smith to introduce martial law in some areas

Type of martial law tailored to Rhodesian conditions will be imposed as needed in various parts of the country, Mr Ian Smith announced yesterday. General mobilization was being considered. The arrests of 20 leading members of Nkomo's organization inside Rhodesia have been reported.

Guerrillas warned to expect retaliation

Nicholas Ashford, Sept 10
Form of martial law and a down on groups inside Rhodesia associated with the guerrillas was announced yesterday by Mr Ian Smith, the Prime Minister.
In a somber address to the nation on television and radio Mr Smith said that the Government was determined to take greater efforts towards a peaceful settlement, but that it would not tolerate any further attacks on its people. He said that the Government was determined to take greater efforts towards a peaceful settlement, but that it would not tolerate any further attacks on its people. He said that the Government was determined to take greater efforts towards a peaceful settlement, but that it would not tolerate any further attacks on its people.

Unions set for big challenge to pay policy

By Christopher Thomas
Labour Reporters
The Prime Minister's election promise has unleashed union enthusiasm for unfettered collective bargaining and despite a TUC exhortation for moderation the coming months will severely test the new fraternity between the Labour Party and the unions.
The private sector, with Ford manual workers in the forefront, poses an immediate threat to the 5 per cent policy. And the Government's own employees are also shaping up for battle.
Mr James Callaghan, who apparently made his decision against an October election as early as mid-August, has urged union leaders over his political manoeuvring in getting the TUC agenda to look comparatively tame. It was, undoubtedly, the tamest conference for many years.

No formal pacts, nods or winks, but SNP may support Government until February

Referendum timing may be crucial for Labour's survival

By Michael Hatfield
Political Reporter
Cabinet ministers are to meet this week to frame the legislative programme for the next parliamentary session. But in the meantime the minority parties - reaffirmed yesterday that the Government cannot depend on their support to ensure survival.
The fate of Mr Callaghan and his colleagues depends on securing a majority vote on the Queen's Speech in late October or early November. One of the key measures will be the timing of the referendum on setting up assemblies in Scotland and Wales.
Scottish and Welsh nationalist MPs emphasized yesterday in interviews on BBC radio that they wanted the referendum as quickly as possible.
Mr Gordon Wilson, Scottish Nationalist MP for Dundee, East, said his party would like it to be held before winter because of the possible effects of bad weather on turnout.
"He did add, however, a point that will be of great interest to Mr Michael Foot, Leader of the Commons and the Government's principal business manager. The turnout was crucial. Mr Wilson said, and the SNP would be helped with the new voting register, which comes into effect at the beginning of February."
He referred to the clause in the devolution legislation which states that at least 40 per cent of the whole electorate must vote "yes". Mr Wilson was implying that the SNP's chances of overcoming the obstacle may be greater with an increased register.



Battled humour: Mr Begin (left) with President Sadat and President Carter at Gettysburg yesterday. Report, page 4.

BP denies new claim on Rhodesia oil

By Nicholas Hirst
Energy Correspondent
British Petroleum yesterday strongly denied that it was helping oil to reach Rhodesia in defiance of sanctions. It is the first time that BP has replied directly to any allegations connected with the Bingham inquiry.
In the past all details of the evidence of sanctions evasion have been kept secret. BP has now over the past 12 years has met with a refusal to comment until the Bingham report is published.
The BP men, however, are convinced that yesterday's new allegations in the Sunday Times are wrong. Those are the new and secret swap arrangements which have been set up, similar to the one allegedly negotiated with the French Total group 10 years ago, so that indirectly oil from BP and Shell's Dutch refinery is being used to supply Rhodesia.
BP told the Bingham inquiry that sanctions evasion that the supply to Rhodesia had been stopped in the middle of last year.
Having the evidence given to the Bingham inquiry, Dr David Owen, Foreign Secretary, said last week that he had been assured that no British oil was reaching Rhodesia. Yesterday the Foreign Office, which Dr Owen's statement, but it was he that it will check again with the oil companies for reassurance.
The Cabinet discussed the Bingham report on Thursday. The Foreign Office said that the report is being considered and publication is expected within a fortnight.

Cuba welcomes Senor Suarez

Havana, Sept 10 - Senor Adolfo Suarez, the Spanish Prime Minister, was given a red-carpet welcome on his brief official visit here yesterday. The usual Fidel Castro, wearing his usual hat and uniform, was at the airport, where a giant portrait of Senor Suarez was displayed. A crowd of several hundred people waved flags of the two countries.

Nicaraguan guerrillas seize control of city

Managua, Sept 10 - Left-wing guerrillas today seized control of Leon, Nicaragua's second largest city, and parts of Managua in a renewal of anti-government violence.
Troops, tanks and aircraft were sent to the city. There were no reliable casualty reports but hundreds of people were feared killed in the fighting.
The Red Cross office here said it had reports from Leon that fire and rescue units were unable to enter the area to evacuate wounded and dead or to fight the fires.
The attacks began last night in what appeared to be coordinated assaults in several sectors of Managua and other cities.
Heavy gunfire was reported this morning in Masaya, Chinandega, Granada and Esteli. Sporadic shooting was heard in the capital, which took on the appearance of an armed camp.
Men of the National Guard in Managua erected steel barricades near their training camp, where President Somoza lives and works in a well-guarded compound called "the bunker".
The violence and a nation-wide strike are aimed at forcing the resignation of General Somoza.

Iranian MPs walk out on new Premier

Troops fired on demonstrators defying a martial law ban on demonstrations in the Iranian holy city of Qom, killing at least one person. The official death toll from Friday's violence in Tehran rose to 95 but unofficial sources said as many as 250 people had been killed.

European poll plans disrupted

Disruption of the Labour Party's plans for selecting candidates for direct elections next June to the European Parliament has resulted from Mr Callaghan's decision to postpone a general election. Present MPs are barred by an NEC ruling.

'Stay away' call to Mr Thorpe

Mr David Steel, the Liberal leader, tried again to suggest that it would not be in his own interest or that of the party if Mr Jeremy Thompson, who faces charges of conspiracy and incitement to murder, were to attend the party conference this week.

Broad Left 'split'

Mr Robert Wright, standard-bearer for the left in the toughening union, blames divisiveness in the Broad Left and greater efficiency by the moderates election machine for his recent failure to capture the union presidency.

Four people die as aircraft crashes in flames

All four occupants of a light aircraft died yesterday when it crashed in flames only a mile from the safety of an empty runway at Bristol airport.
The single-engine aircraft hit the raised edge of a quarry after losing height when its engine apparently cut out. It cut through a fern hedge, smashed into a left-hand pile of logs and crashed into a river bank. It was of Swiss origin.

Smallpox has been contained, doctor says

The Birmingham smallpox outbreak has been contained, Dr William Nicol, the area medical officer, said yesterday. The 260 contacts were released from quarantine.
He said that there was still no specific knowledge about the source of the outbreak.
The smallpox victim, Mrs Janet Parker, aged 40, of Kings Norton, Birmingham, was said by Dr Nicol to be as well as she was yesterday.

Israeli sloop over Beirut

Israeli jets swooped over Beirut after a night of heavy fighting between Syrian forces and Christian militia in the eastern part of the city. Rockets, artillery and machine-guns were used in the attack. The fiercest for two months. Mr Camille Chamoun, the former President, in a Phoenician radio broadcast, accused the Syrians of trying to sabotage the Camp David summit.

Korchnoi does a Houdini

Viktor Korchnoi extricated himself from a hopeless position to snatch a morale-boosting, draw in the world chess championship. His own resourceful defence was helped by weak play by Anatoly Karpov, the champion.

Housekeeping money: Three in ten households received no increase in their housekeeping allowance in the past year

Manila: In an exclusive interview, the Philippines Foreign Minister puts the human rights problem in perspective.

Traditional craftsmanship. The 1978 Proof Coin Set from the Royal Mint.

This set, the latest in a continuing series, includes all decimal coins from the 1p to the 50p, together with the Royal Mint medallion. Each coin is in proof condition, specially struck from polished dies. The price is £125.
The Royal Mint Numismatic Bureau, P.O. Box 71, Lancaster, Poulton, Mid Glamorgan, CF7 8YL.

Grand Prix river hospital

In John Blunden, Sept 10
Donnie Peterson, the John River Team Lotus driver, was taken to hospital in Milan after multiple injuries and a serious brain injury after a crash during the Italian Grand Prix at Monza 10 seconds after it started.
The Swede was saved from his injuries by the prompt action of two other drivers, Guy Edwards, of Britain, and a Swissman, who pulled him from the cockpit.
The Italian Grand Prix, which was held at Monza, was a disaster for the Lotus team. The car was damaged beyond repair and Peterson was taken to hospital for a long time.
The crash was a serious one, with Peterson suffering multiple injuries. He was taken to hospital in Milan and is expected to remain there for some time.

Hopes of big aircraft sale to China

From Arthur Reed
Air Correspondent
Farnborough
Hopes that the British aircraft industry will sign a multi-million pounds order to sell several hundred Harrier vertical-take-off fighters to China hardened considerably at the air show which finished at Farnborough yesterday.
Three Chinese diplomatic and industrial delegations, totalling more than 60 people, have been at the show, and according to executives from British Aerospace who talked to them their interest in the Harrier was far higher than it has been in the past.
The delegations are not returning home yet, but are spending the next three weeks touring the aircraft industry, even visiting companies making subcontracted items for the Harrier.
British Aerospace are hoping for an invitation to visit Peking for discussions on a contract. They say they could deliver the first Harriers to China within two and a half years. China already has close aerospace links with Britain, having bought a fleet of Trident airliners and the Rolls-Royce Spey engine, which they make under licence.
Few objections to a sale of Harriers to China are expected from the British Government or NATO partners, as China is considered an ally of the West against Soviet expansionism.

The Harrier vertical-take-off jet at Farnborough yesterday.

Sir Richard Steneham, Director general of the Society of British Aerospace Companies, said at Farnborough yesterday: "The Chinese certainly seem keen to buy the Harrier."
The British aircraft industry exported £103m of goods in July, the second highest monthly total ever, in the first seven months of the year to £81m. Sir Richard said that was £74m up on the same period of 1977.
Orders for aerospace goods worth about £50m were announced during the show, although many of the orders had been under negotiation for many months beforehand. One Harrier taking part in the daily flying display, a Sea King helicopter, was sold to the British-Norwegian Trilander, was sold on the spot for £200,000 to an airline in the Caribbean.
Attendance figures were well up on those for the last Farnborough show two years ago, even though the flying display was far less spectacular. After much public criticism the show organizers included a British Airways Concorde in the display yesterday. The aircraft made two low passes over the runway and then did a loop and a landing to rounds of applause from the spectators.
Aircraft company officials from all over the world who came to Farnborough to talk business reported a good flow of potential customers. British Airways said they sold 50 Concorde tickets to New York and Washington from a booking office they set up in one of the main exhibition halls.
Sir Richard Steneham said he was very satisfied with the show. He believed that although it cost more than £1m to mount it would break even financially, and even make a small surplus.

For the Royal Mint Numismatic Bureau, P.O. Box 71, Lancaster, Poulton, Mid Glamorgan, CF7 8YL.

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HOME NEWS

Mr Steel fears a confrontation if Mr Thorpe attends the Liberal conference this week

By George Clark
Political Correspondent

Mr David Steel, the leader of the Liberal Party, indicated yesterday that his immediate concern in advance of the annual party conference, which opens on Wednesday, is to avoid a confrontation between Mr Jeremy Thorpe, his predecessor as leader, and elements in the party, including some MPs, critical of Mr Thorpe's leadership. Mr Steel said that he is facing charges of conspiracy and incitement to murder.

The conference opens officially on Wednesday, but there will be preliminary meetings representing all sections of the party today to work out policy declarations on education, unemployment and civil liberties, and a private meeting tomorrow to examine party strategy for the next general election.

For Mr Steel, a key demand in any discussions he has with Labour or Conservative MPs will be the question of the timing of the next general election. Mr Thorpe has said that he would not call an election until the end of the year, but Mr Steel would prefer to see a general election called by the end of the year.

Mr Steel said that he is facing charges of conspiracy and incitement to murder. He said that he is facing charges of conspiracy and incitement to murder. He said that he is facing charges of conspiracy and incitement to murder.

"I have conveyed my views in a proper way in private and I am not going into the whole question," Mr Steel said. "There is a convention in the public life of our country that when someone is on a serious charge, he bows out of public life until that charge has been disproved, and I think that the wise course is for Mr Thorpe to adopt a low profile until the case is over."

Mr Steel said, however, that in private conversations he had suggested to Mr Thorpe that he should consider the interests of the party, that he should not attend.

On the prospects of the Government remaining in office, Mr Steel said that much would depend on a commitment to electoral reform.

For the Liberals there were advantages in the postponement of the election. It had perhaps a year's respite in the public mind, and it would allow the party to take credit during the Lib-Lab pact for its record in helping towards national economic recovery.

The prospect now was more promising than if the Liberals had been projected immediately into a general election at the end of the year.

Mr Jo Grimond, the Liberal leader from 1956 to 1967, took much the same line when interviewed in the same programme. The party should take full advantage of the present situation and use the Southport conference as a shop window to display the policies that Liberals wanted to carry through Parliament.

The test of the Government might come on a motion on unemployment in the next session, because the Scottish nationalists were extremely concerned about the effects of unemployment in their country. Mr Thorpe would combine with others who criticised the Government's record.

But the Liberals' essential task, he said, was to demonstrate their own policies and their antagonism to state socialism.

Mr Thorpe's "know Mr Grimond's doubts about the original Lib-Lab pact will appreciate his assessment of the coming session. Liberals, he said, must take a line between state socialism and industrial democracy.

Southport offered a golden opportunity to point out the ways ahead for the British economy, which would avoid the pitfalls of the former.

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Leading article, page 13

Historians trace Norse royal hall in Shetland

By Ronald Faux
Historians from St Andrews University believe that they are step closer to unravelling the remains of a royal hall of the medieval kings of Norway on the island of Papa Stour, in Shetland.

Dr Barbara Crawford, of the university's department of medieval history, has returned after directing a second season of excavation of the site with further evidence suggesting that the building was a royal hall, made and lived in by well-to-do Norwegians in late medieval times.

This year's excavation has added birch bark, felt cloth and other ancient timber to the fragments of gold foil, amber and jet ornaments. There is also the discovery of a strongly built stone wall. Last year the team found a stone brooch mould and a fragment of a food vessel with burnt porridge 600 years old.

Drawing together these scraps of evidence and the documentary clues that Papa Stour was a main administrative point on Shetland in the years that the islands were held by Norway, the department hopes to establish that the building is the first Norwegian royal hall found in Britain.

No revival of Stormont rule, Tory MP says

From Alan Hamilton
Belfast

Any hopes that the Ulster Unionist group of MPs might have had of winning a return for the support of a future Conservative government have been thoroughly dispelled by Mr William Whitelaw, MP of the Ulster Unionist group, speaking in Belfast on Saturday to the annual conference of the Ulster Unionist Party of Northern Ireland.

Mr Whitelaw, who has been a member of the Conservative Government since 1976, stated that no one in authority in the party had said the Conservatives would return to power. He said that the only path to political progress in the province was through some form of partnership government involving all main shades of opinion, and not through a return to the old-style Unionist-dominated Stormont.

He said that the Conservatives would not enter into any coalition with the Ulster Unionists, and that the party was not prepared to help to prop up the Labour Government by failing to vote with the Conservatives in a number of important divisions.

Mr van Stratten, a vice-chairman of the Conservative Northern Ireland committee, and a former minister of state, under Mr William Whitelaw, stated that no one in authority in the party had said the Conservatives would return to power. He said that the only path to political progress in the province was through some form of partnership government involving all main shades of opinion, and not through a return to the old-style Unionist-dominated Stormont.

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Mr van Stratten, who told delegates that his speech had been seen and approved by party leaders, also stated that he did not expect any new political initiative from Westminster towards Ulster for the time being, because of the government's minority in the Commons.

His speech was received with disapproval by the Official Unionist camp in Belfast yesterday, where it was said shortly that he was not the chief Tory spokesman on Ulster, a post held by Mr Airey Neave, and that he had not reflected any views put forward by Mr Neave or Mrs Thatcher.

Official Unionist spokesmen variously described him as a nonentity in the party and his remarks as a red herring.

Official Unionist policy is still in press for the return of a devolved government to the province.

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'Nauseating week of cowardice'

By Our Political Reporter

Arguments over the Prime Minister's decision not to hold a general election at present continued yesterday.

Mr Roy Hattersley, the Secretary of State for Prices and Consumer Protection, said Mr Callaghan's private reasons for not having an autumn election, which he gave to the Cabinet on Thursday, were the same as those he announced on television.

He said the Prime Minister "wished to be neither distracted nor diverted from the work of building up the economic success of the last three years."

Mr Peter Walker, a former Conservative cabinet minister, accused the Prime Minister of cowardice in delaying the general election. He said that Britain would be governed by a motley collection of condemned men for the next few months.

We have just witnessed a nauseating week of cowardice by both the Prime Minister and the Prime Minister's shadow, Mr Harold Wilson. The Prime Minister showed that beneath the Stanley Baldwin facade is a gerrymandering politician clinging to office at the expense of the nation. It is only the desperate fear of a minority of electoral defeat that now unites Labour and the Scottish nationalists," he said.

European poll plans disrupted

By David Wood
European Political Editor

The Prime Minister's decision to postpone the general election and go into a fifth parliamentary session has thrown out of joint plans for direct election to the European Parliament on June 7, 1979.

It has also disrupted the arrangements of a few Westminster MPs, who announced their intention to retire at the dissolution of Parliament and hoped to make a new political career in Strasbourg and Luxembourg.

Mr Geoffrey de Freitas, a vice-president of the European Parliament, and Mrs Barbara Castle had said that they would not contest domestic elections for Labour but fight the European election. Other Labour MPs had hinted that they might follow their example.

Also, several youngish Labour MPs in marginal constituencies hoped that if they lost in a 1978 domestic election, they would be able to apply to join Labour MPs whose constituency boundaries were being unfavourably reorganised.

Because Labour's National Executive Committee has ruled that there shall be no dual mandate allowing Labour politicians to sit in both Parliament and the European Parliament, the election postponement means that Labour's European candidates, who are to be chosen early next year, will be unestablished, perhaps unknown, figures.

Consequently there are fears that the European bundles of constituency parties will adopt

trade union or local government "shellbacks", whose Europeanist commitment may be questionable.

The report that will be adopted at the Labour conference in Blackpool during the first week of October states that "the NEC will not endorse the candidature for the 1979 European election of any nominees who were elected to the current United Kingdom Parliament."

The sentence is ill phrased; it was intended to rule out candidature of sitting Labour MPs at Westminster, partly to emphasize the supremacy of Westminster over Strasbourg, partly to discourage financial ambition, and partly to ensure that a minority Labour Government would not have to rely on "ambush" divisions on backbenchers with divided loyalties.

The Labour method will be for an advisory list of available candidates to be centrally compiled, with nominations from constituency parties and affiliated organizations, such as the Fabian Society, the Labour Lawyers or the Trades Union Congress, to accept and abide by the election manifesto issued by the Labour Party and any standing orders that may be adopted by the British Labour Party group of European Assembly members and approved by the NEC.

That is, British Labour MPs will be an independent group, in an unestablished way, while belonging to the Socialist Group of the Nine in the European Parliament.

It disturbs senior European politicians to find the Labour Party dealing with the 1979 direct election so ambiguously. The Labour Party in and out

of Westminster first questioned United Kingdom entry into the European Community, and then said it would accept the verdict of the people in the 1975 referendum.

Some Labour ministers have actively sought the reputation of little Englanders, and the party has refused to subscribe to the European Socialist manifesto. Yet, theoretically, Mr Callaghan and his Government have accepted a European role. In Europe such facing both ways is never understood and increasingly resented.

The Conservative Party's plans for direct elections are far more advanced than Labour's, but again Mrs Thatcher and the Shadow Cabinet regard Westminster as the more important target than Strasbourg. The ambiguity is noticed. Conservative MPs of considerable European experience are being strongly discouraged from continuing the dual mandate, and 1979 domestic election would be given absolute priority, financially and otherwise, over European direct elections.

Labour dare not view the present lull in terrorist activity and the dismantling of military barricades as more than a temporary relief. But after a decade of violence and destruction the upsurge of civic concern at least holds out a glimmer of hope.

Ironically, the Ulster Architectural Heritage Society was founded only a few months before the civil rights marches that led to the latest troubles. Under pressure from the society, the government-founded Historic Buildings Council for Northern Ireland was established in 1973, at the very time

Group to vet McNally candidature

Mr Thomas McNally, the Prime Minister's personal political adviser, may know this week if he will be allowed to fight the next general election as a Labour Party candidate. His selection as the candidate for Stockport, South, in succession to Mr Maurice Orbach, who is retiring, has caused controversy.

The Labour Party organization subcommittee will consider the matter after complaints from the Stockport, South, constituency party that Mr McNally, aged 35, is too young to lead the party. The subcommittee will pass its decision to the party's national executive committee.

Public sector union poses big pay threat

Continued from page 1

Another 13.5 per cent will be given next October with an increase linked with the rise in average earnings outside.

There will be a further 13.5 per cent in April, 1980, and an increase matching the percentage rise in average earnings over the previous six months. In each of the next two years there will be index-linked rises.

Big increases awarded to the leaders of the National Union of Mineworkers also breach the pay policy. It means that pay negotiators are in no doubt that curbs are now off.

The main tussle will come when the 30 per cent of the nation's workforce over whom the Government is the paymaster seek an increase in the next year. The first of those will involve one million local government manual workers in November.

Of the nine unions involved, the National Union of Public

Employees is committed to a 550-a-week minimum, compared with the 545-a-week basic that most of its members get now. It will be a critical testing time for the determination of the Government and of the unions to stick to their guns.

TUC leaders do not like the way Mr Callaghan has strung them along over the election. They feel he did so not so much by encouraging speculation about an autumn election, but by not actively discouraging it.

Such is the timing of annual pay settlements that an autumn election would not now be the case before the next election.

Enough to have breached the 10 per cent policy for its 53,000 hourly paid workers last year, is privately reconciled to the fact that it will have to give more than 5 per cent.

The miners, whose target of £110 a week for face workers dwarfs the 5 per cent policy, settle in March. The militant Merchant Navy officers want far more than 5 per cent, and the electricians, who are expecting a 10 per cent rise, are also demanding more. A reply on Wednesday to a 22 per cent claim.

After that come the aspirations of 500,000 white-collar civil servants, who settle in April. The Royal Civil Service Union has been reactivated for the 1979 deal after being suspended because of income policy. The results are expected in mid-November.

Mr Kenneth Thomas, general secretary of the Civil Service Association, the biggest Civil Service union, last night criticized the election delay. He said the Government could be in confrontation for January if the facts emerging from pay research were resisted.

Pay dispute halts N Sea oil field as 500 fly home

Construction work in one of the North Sea's largest oil fields was disrupted at the weekend when more than 500 men were flown home from a platform east of the Shetlands over a pay dispute.

The men voted to go home despite union recommendations that they return to work. They were mainly being flown to Aberdeen, where they are working on the central platform of the Ninian field. They are in dispute with their employers, CJB Offshore over payment during another stoppage earlier this year.

In April a dispute over bonus payments disrupted work on the southern platform in August, a pipeline was squashed when a supply ship dragged equipment over it.

23 qualify for second round of piano contest

Of an initial 72 competitors, 23 young pianists have qualified for the second round of the triennial Leeds International Piano competition. That is three more than were expected to be chosen, which suggests that the quality of the entrants this year is particularly high.

There are six qualifiers from the United States, four from Britain, each from Brazil, Japan, Canada and Germany, and one each from Italy, France, Greece and Singapore. There is also one stateless person, the Russian-born Felix Varvara.

Among the 23 is the youngest contestant, Kristin Maria Merscher, from Germany, who is 17. The British pianists who are through to the second round, which continues until tomorrow, are: Philip Fowke, Ian Richard Hobson, Philip Richard Smith and Kathryn Linda Stott.

Unsafe cars allowed on the road, safety council says

By Peter Waymark
Motoring Correspondent

The system by which car manufacturers recall vehicles for attention to safety defects is criticised in a report published today by the British Safety Council. It accuses the Department of Transport of standing idly by while unsafe cars are allowed on the road.

The council's main complaint is that car makers are not legally bound to disclose information about safety defects, and the motorist may have no way of knowing what potential danger there is. And where recall is announced, there is no means of ascertaining the results.

The report says: "The system is only effective in ensuring that manufacturers need reveal those defects which are so serious and widespread that it would be uneconomical for them to risk not recalling the vehicles."

The council proposes a vehicle defects "hotline" to which the Department of Transport should be alerted, on which members of the public could report safety defects.

The other main recommendation is a statutory duty on manufacturers to supply the details of reported or suspected defects immediately, and regular publication of all recall campaigns, including the success rate in tracing vehicles; and a new code of practice on the test boards for new cars.

The Department of Transport said yesterday that it could not comment in detail until it had seen the report. At present there was a voluntary agreement between the manufacturers and the department by which either party advised the other of any defects that came to light.

Action was usually taken quickly and in the department's view the process would not be speeded by legislation. However, it was aware of criticism and was meeting the Society of Motor Manufacturers and Traders to see whether the arrangements could be improved.

Typhoid suspects cleared

Two schoolboys, one from Uddington and the other from Hamilton, both Strathclyde, who were suspected typhoid cases do not have the disease, a Lanarkshire Health Board official said yesterday.

One confirmed case, a brother, aged 10, of the Uddington boy, is in isolation but his condition, yesterday was not giving cause for alarm or concern. The three were recently on holiday in Bavaria.

A pay dispute by British Airways catering staff at Heathrow airport, London, disrupted flying facilities on flights to Europe yesterday passengers were served cold meals.

Hayes wins chess contest with good score

From a Chess Correspondent

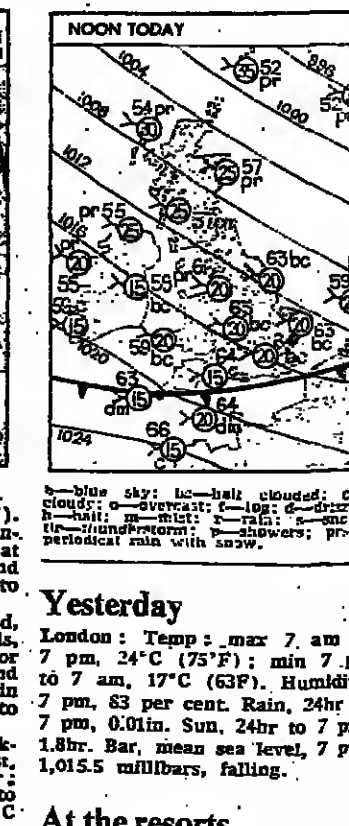
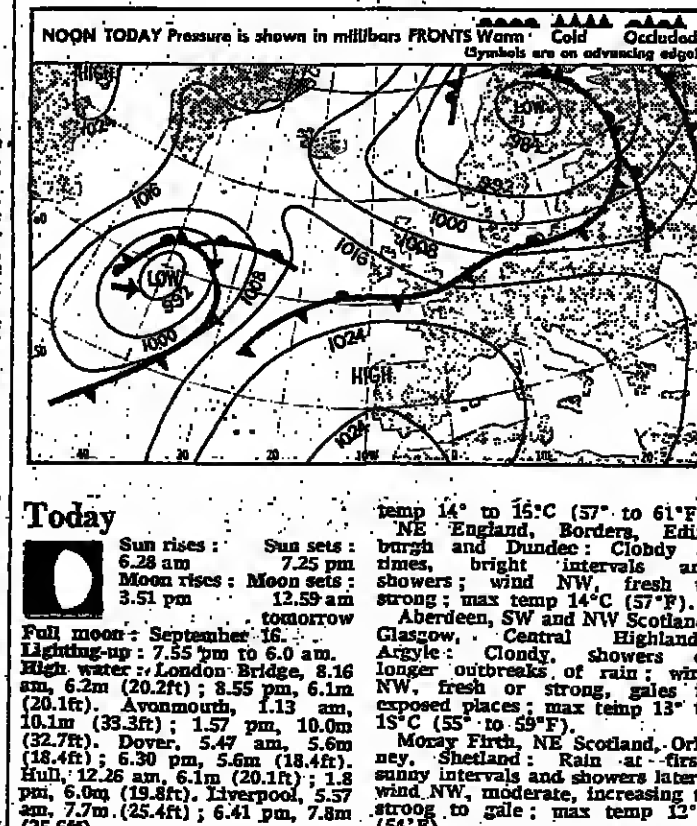
Palgong

The Ulster player, G. Hayes, won the premier tournament at the Palgong Chess Congress on Saturday with the excellent score of 10 wins out of 13 games. He won his last round game against K. J. Norman, of Sunbury-on-Thames, whereas G. Ladis, of Grays, who had shared the lead at the end of round six, went down to P. Robinson, of Bristol, who thus went into second place supported by the Coventry champion, R. S. McFarland.

There was a tie for fourth prize between P. C. Griffin, of Sedhill, and the young London player, J. J. Hodgson.

Results: Hayes, 10; Norman, 9; Robinson, 8; Griffin, 7; Ladis, 6; Robinson, 5; Griffin, 4; Ladis, 3; Robinson, 2; Griffin, 1; Ladis, 0.

Weather forecast and recordings



Crew drowns at Portland

The bodies of a man and a woman were recovered last night after they had drowned when they tried to row out to deep water moorings in Portland Harbour, Dorset.

And three men in a car, with a broken rudder, and failed engine were rescued last night by coastguards when their craft was swept on to rocks at Portland Bill. Mr Ron Cheal, of Ringwood, Hampshire, the owner of the boat, was sailing her back from Roscoff, France, with Mr Leslie Play, of St Leonards near Ringwood, and Mr Colin Bateman, of Verwood, Dorset.

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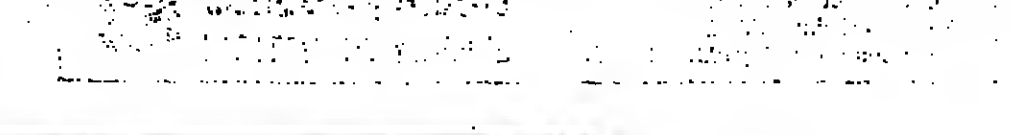
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Overseas selling prices

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Published daily except Sundays, Bank Holidays and Christmas Day. Prices are in pence unless otherwise stated. All prices are for the United Kingdom. Prices for other countries are available on request.

mail, covering England, Wales, and Scotland, but the findings match the observations of experts working in the field.



incident with the Mediterranean. The whole

quarters.

1. DATE _____

WEST EUROPE

Romanian defector's 'revelations' taint Social Democrats yet produce no German spies

From Patricia Clough
Bonn, Sept 10

As the air clears after the "espionage" affair in Bonn last week, little remains but the debris from an unedifying political mud-slinging match. The defector last month of Lieutenant-General Ion Pacepa, deputy head of the Romanian secret service, is doubtless a valuable windfall for Western intelligence services. But to West Germany his "revelations" so far have brought mostly untimely leaks, dubious reports, political speculation, rumours and insinuations which have damaged the reputations and careers of two talented young men and cast doubts on the Government's loyalty to NATO. So far they have produced no spies.

The curious affair began with a report from security sources in the tabloid daily Bild that General Pacepa had identified a spy in Bonn. The case, it claims, was as big as the one in 1974 which toppled the Chancellor of the day, Herr Willy Brandt.

The scene for a big scandal thus set the Social Democrats disclosed that Herr Joachim Brouder-Gröger, the personal assistant to their party manager, Herr Egon Bahr, was under investigation. Die Welt, which like Bild belongs to the conservative Springer publishing house, followed with a report that the spy investigation involved a plan by Herr Bahr for West Germany to leave NATO and turn neutral in exchange for German reunification and a non-aggression pact with the Soviet Union.

The story acquired a touch of drama when Parliament was urged to recall from its summer recess to lift the immunity from a second Social Demo-

crat, Herr Uwe Holtz, chairman of the Parliamentary committee for economic cooperation.

Meanwhile, Herr Bahr asked for, and got, a public assurance from the United States Government that they were not in possession of any such "plans".

The events provided the Christian Democratic opposition and the Social Democrats saw the whole affair, right from the first leak as a well thought-out campaign to damage their Ostpolitik (policy towards Eastern Europe) and discredit the party before next month's crucial elections in Hesse.

They claim it was the work of an unholy alliance between some security men, opposition politicians and the conservative press, which on several occasions has embarrassed the Government by disclosing secrets. Irritated by the recurring leaks, the Government has ordered investigations into the latest disclosures which have now made investigations extremely difficult.

The origins of the "Bahr plan" allegations are confusing. To intrigue Bonn, West German intelligence men who sat in on the Central Intelligence Agency (CIA) interrogations of General Pacepa near Washington heard nothing of such a plan. It is noted here that such reports had been cropping up in conservative publications, including a British newspaper, even before General Pacepa defected and it appears that they have been grafted on to the "spy" story. Whether they originated in the United States or here is open to speculation but they could only serve to damage the Government's position.

It is not the first time that Herr Bahr, one of the main architects of the Ostpolitik, has been accused of wanting to cut loose from these Atlantic alliances. Some years ago he did in fact examine the hypothesis, but has long since made it clear that in the present circumstances West Germany would be extremely foolish to do any such thing. He regards the recent reports not only as part of a malicious campaign but as an insult to his intelligence.

What the West German intelligence agents did report is at present unlikely to prompt any charges against the two men or other unnamed minor figures. Although General Pacepa reportedly described them as spies, he could apparently produce no evidence that Herr Holtz or Herr Brouder-Gröger had any relations with a Romanian Embassy official other than the friendly, cooperative contacts normal between the Bonn political world and foreign diplomats.

The "revelations" have, instead, aroused suspicions among investigators that the Romanian agents in Bonn made out to their superiors that these contacts were far more important than they really were, and that money allegedly handed over actually went into the Romanians' own pockets.

One particularly unpleasant result of the affair is that the two men are now marked with a crime of which they have not even been charged. Even if investigations are dropped, their opponents can claim that the premature disclosures gave them time to destroy incriminating evidence. Their careers may now be ruined.

Sober-up powder to be sold for French drinkers

Paris, Sept. 10—A Swiss product that dispels alcohol in the blood quickly and often renders ineffective alcohol tests on drivers will soon go on sale in France.

But the French Government will not allow it to be sold for the purpose of erasing drunk driving checks, and so it will be sold as a diet product. Manufacturers say the powder, made from fructose, glucose and chlorophyll, hastens the combustion of alcohol in the blood. However, it will not help the progress of such diseases as cirrhosis of the liver.—Agence France-Presse.

Fake nuns set fire to Turin art gallery

Turin, Sept. 10—A man and two women, disguised as a monk and nuns slashed paintings inspired by the Holy Shroud and the kidnapping of Aldo Moro, the Christian Democratic leader, and then set fire to the art gallery.—AP.

Call for French Foreign Legion to be disbanded

Calvi, Corsica, Sept. 10—Admiral Antoine Sanguinetti, a retired French Navy officer, has called for the disbandment of the French Foreign Legion in a speech here this weekend. He said it no longer had a place in the world of today.

"The Legion has certainly written fine pages of military history. But it was in another epoch," he said. "Other French troops have also written glorious pages and they were disbanded when they no longer answered the conditions of the time."

"The Foreign Legion has had its time. History books will con-

tinue to pay homage to it. But the Foreign Legion no longer has a place on French territory."

Deserters from the Legion have recently been blamed for criminal incidents in Corsica where some Legion units are now based. A West German tourist was murdered last month and two shepherds were killed last year.

Admiral Sanguinetti, who is a Socialist candidate in next year's local elections, also called for a justly applied universal military service system to compensate for the eventual loss of this "corps of mercenaries".—Agence France-Presse.

Whale marooned in harbour disappears

Cherbourg, Sept. 10—The 13ft stry 1,100lb grampus whale, marooned since last Tuesday in the port where it is paralysed harbour traffic, has not been seen since yesterday evening.—UPI.

Champagne good but little of it

Rheims, Sept. 10—Grape growers in the Champagne region expect a considerably smaller crop this year because of bad weather. But the 1978 vintage should be of good quality, experts said.

OVERSEAS

Iran MPs walk out of speech by Premier

Tehran, Sept. 10—Iranian troops opened fire on a Muslim demonstration for the third consecutive day today, killing at least one person, while nine Members of Parliament walked out during a speech by the country's new Prime Minister.

Iran said that troops in the holy city of Qom fired point-blank into a crowd of Muslims who had ignored the martial law order imposed on Friday. The report said one person died but gave no other details.

The Muslims are demanding that the Shah should and his liberalization policy and return Iran to the ways of Islam.

The Government also confirmed that dozens of people fired upon by troops in Tehran on Friday have died, raising the official death toll in three days of fighting from 30 to 95.

Iran's ambulance drivers and employees at the main cemetery in Tehran corroborated initial reports from witnesses that as many as 250 people were killed. Grave-diggers said there were not enough plots to bury all the victims.

Troops patrolled Tehran and massed in front of Parliament Square, where Mr Jafar Sharif-Emami, the Prime Minister, presented his national unity programme to Parliament during consideration of a vote of confidence in the Government.

But nine members disrupted the proceedings, shouting: "We don't accept your programme. Your hands are stained with the blood of your countrymen. You have killed so many in so short a time. They then left the building."

By David Spenser
Diplomatic Correspondent

First reactions in London last night to the new security measures announced by Mr Smith, the Rhodesian Prime Minister, were that they were likely to be effective in deterring the guerrillas.

Rockets, artillery, mortars and machine-gun attacks were directed on the Christian south-eastern suburb of Harare, not far from President Smith's official residence. At dawn the artillery duel gave way to sniper fire.

Twenty-two buildings were set ablaze during the fighting, and 300 flats damaged.

The right-wing Phalangist Party said eight Lebanese had been killed and 174 wounded in the fighting, which ended last Thursday evening. No Syrian casualty figures have been released.

"There is no justification for this escalation of hostilities by the Syrians," said the Phalangist Party. "The former President, Mr Ba'ath, is a former Phalangist and he is the one who commands the strongest militia."

The two governments have also expressed the profound hope that there will be no retaliation by Rhodesia after the shooting down of the Viscount and the murder of 10 of the 12 surviving a week ago near the Zambian border.

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Burned out vehicles and rubble litter a street in central Tehran in the aftermath of the rioting

The session lasted an hour and was adjourned until Tuesday, when members were expected to pass a motion of confidence and ratify the martial law declaration.

Mr Sharif-Emami, appointed Prime Minister by the Shah 16 days ago to solve the political crisis, said the Shah had been forced to declare martial law because his political liberalization programme was abused.

Iran's one-party system was replaced on August 27 by lifting the ban on additional political factions. Fourteen parties

emerged as a result, but martial law now governs their operation.

"The freedoms we gave were used against the people," the Prime Minister said. "There has been much wrong-doing. It is going to take some time to heal the situation."

Iranian newspapers reported more than 100 cases of arson and attacks on banks, police stations, a restaurant and three cinemas. A four-storey department store was gutted by fire.

Mr Sharif-Emami expressed his deep regret over the deaths that followed imposition of

martial law. He said the Government would take all steps to make good financial losses resulting from the demonstrations.

Mr Sharif-Emami, who is 68, outlined his Government's programme in broad principles which he had earlier stated when he was appointed by the Shah. He stated his faith in the constitution and Iran's Shia Islamic principles.

He emphasized the importance of developing agriculture and fighting corruption.

Meanwhile, the curfew imposed in Tehran after the

promulgation of martial law was reduced by one hour today. General Gholam-Oveisli, the martial law administrator, said the curfew would start at 10 pm instead of 9 pm and would be lifted at 5 am.—UPI, Reuters and Agence France-Presse.

Carter message: President Carter today told the Shah from Camp David today to express hope that the violence in Iran would soon end and to reaffirm the importance of Iran's "continued alliance with the West". The White House announced.—UPI.

Israeli planes swoop over Beirut after night of fierce fighting

Beirut, Sept. 10—Israeli jets set off a boom as they swooped today for the first time since the start of the Camp David summit. The air sweep came hours after Syrian peacekeeping troops battled Israeli-armed Christian militias in the fiercest fighting in the city for two months.

Rockets, artillery, mortars and machine-gun attacks were directed on the Christian south-eastern suburb of Harare, not far from President Smith's official residence. At dawn the artillery duel gave way to sniper fire.

Twenty-two buildings were set ablaze during the fighting, and 300 flats damaged.

The right-wing Phalangist Party said eight Lebanese had been killed and 174 wounded in the fighting, which ended last Thursday evening. No Syrian casualty figures have been released.

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in Lebanon, also urged that the Camp David conference take up the Lebanese crisis as part of "any efforts to arrange a comprehensive Middle East settlement".

The radio broadcast an urgent appeal for blood donors as a number of hospitals in east Beirut "were dropping of blood donors can save the life of an injured citizen," it said.

Mr Chamoun criticized Dr Salim al-Husseini, the Prime Minister, for insisting on extending the mandate of the Syrian peacekeeping forces here which expires next month.—UPI and AP.

Robert Fisk writes from Beirut: Perhaps it is the very dearth of information from the Camp David summit that has created the storm of rumours growing in Arab capitals.

Silence has probably been an excellent commodity for the American, Egyptian and Israeli leaders this weekend, but it has not had a beneficial effect on the Arab world.

In Amman, there were reports of Israeli troops marching along the Jordan river. In Cairo, opposition leaders suggested President Sadat of Egypt was repressing what was

survived of the free press there. In Beirut, where the skies have been lit these past two nights by the fires of burning buildings, some people were even asking if the Israelis would stage a landing on Jounieh beach to save the Christians from Syrian control.

Jordanian fears were perhaps the easiest to dismiss. The Israelis officially denied that they were pushing extra troops towards the river and the Amman Government made no comment at all.

In Cairo, however, the rumours were not so simply dispelled. Neither of the two principal opposition papers, Al-Ahram and Al-Ahali, have appeared for several days.

While the fighting continues in eastern Beirut, there has been only sporadic gunfire in the west of the city.

President Assad of Syria continues to claim that his troops are not provoking the fighting in Beirut, although his statement broadcast on Damascus radio yesterday showed some impatience.

Israel is pushing some individuals into creating misunderstandings and confrontation," the President said. "If this was on a limited scale, I would not be so pessimistic."

Some Camp David summit progress but 'substantial differences' still remain

From Patrick Brogan
Washington, Sept. 10

President Carter took President Sadat of Egypt and Mr Begin of Israel to the Camp David summit on Thursday morning. It is about 10 miles from Camp David where the three men are holding their leisurely summit.

Reporters were cheering in the morning, but as the day wore on, things are going very well. The others remained silent.

Mr Jody Powell, the White House press spokesman, said in a statement that there was progress in some areas, but substantial differences remained on other important issues. He said later that the progress might be conditional on agreement to the last organized political opposition, he is even likely to face.

It all happened rather quickly. One minute there were three challengers for the presidency and the next there were none.

Some time after the Zambian leader's three-hour speech to his party's nominating convention here, a Kaunda functionary strolled on in the shaded dais and asked the 6,000 delegates, half of whom barely conscious after an entire morning under the brutal African sun, if they agreed with the decision of their leadership to amend the party constitution.

In keeping with the convention of the day, the delegates shouted, "Yes," and broke into their chant of "KK, KK, no

happening among the trees of Camp David.

The fact that the meetings were continuing, that there were more meetings, between Americans and Israelis, and Americans and Egyptians, that there were no more meetings, led to the conclusion that the Americans had settled the direction they wanted the discussions to go, and were pushing vigorously along.

The further fact that the summit seemed to be continuing amicably seemed to confirm that things were going well. It was all speculation, of course, and Mr Powell's statement that "substantial differences remain" was rather a let-down.

In fact, Americans and Israelis, before the summit began, thought that the best they could hope for would be a resumption of formal negotiations between Israel and Egypt.

It was supposed that the summit was intended to find a formula to permit such a resumption.

One newspaper here has reported that Mr Carter hopes to make a broadcast to the nation after the summit to report on its outcome.

Pope's plea: Pope John Paul today made an emotional appeal to the world to join his prayers for the success of the Camp David summit.

From the window of his private study, he told 50,000 cheering pilgrims in St Peter's Square that everyone was following the meeting with great hopes. His voice trembling with emotion, he said President Carter, Mr Begin and President Sadat were working for peace in the Middle East.

All people are hungry and thirsty for peace, especially the poor who always have to suffer and pay most in turbulences and wars. We pray for God to come and help these politicians.

He concluded the brief address at his Sunday blessing with a plea to the world to join his prayers "for the Middle East, for Iran and the whole world."—Reuters.

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ENERGY IN ACTION

Mr Odinga pins political reentry hope on Mr Moi

From Charles Harrison
Nairobi, Sept 10

Mr Oginga Odinga, a former Vice-President of Kenya, who has not been allowed to reenter politics here since his release from two years' detention in 1971, today joined the unanimous call for Mr Daniel Moi to be elected President in succession to the late Jomo Kenyatta.

His words were interpreted here as a plea that he and other well-known members of the Luo tribe, which is only slightly smaller than Kenya's Kikuyu tribe, again be allowed to play a full part in political and other affairs.

هكذا من الإمل

OVERSEAS

Opposition divided as striking workers try to end Somoza rule

Stephen Downer
Managua

Half a mile from the national palace in Managua, a wreath hangs gently in the wind from a telephone pole, marking the spot where Senor Pedro Joaquin Somoza, the opposition leader, was shot dead last January.

That murder, which remains unsolved, set off a wave of popular uprisings which have swept across Nicaragua this year.

It also robbed the opposition of the one man who appeared to have the sufficient character and support to offer a better alternative to President Anastasio Somoza.

The Somoza family has dominated Nicaragua for 42 years, and is under intense pressure to go. But at the second, anti-Somoza, general strike this year moves towards the end of its third week, the position is just as divided as it was six months ago over who would be the political framework.

The 15 political and workers' union groups organizing the strike say they want a democratic system implanted. But the conservatives want the Somozas excluded and the Marxists are giving strong support to the stoppage. President Somoza says he will not leave office until his term ends in 1981.

The Somoza family's strong-arm dominance of Nicaragua started in the 1930s. The United States, seeking to influence Nicaraguan politics, stationed marines in the country.

For years they experienced strong resistance from guerrillas led by a Nicaraguan, General Augusto Cesar Sandino, who became a national hero before he was murdered in 1934.

The guns that killed him were fired by members of the National Guard, formed by the American marines shortly before their withdrawal. The guard was under the command of President Somoza's father, General Anastasio Somoza Garcia. It is widely believed he ordered General Sandino's death.

In 1936 General Somoza Garcia proclaimed his presidential candidacy and exiled

the incumbent President when he opposed him. He remained in power until 1948, then used his influence within the National Guard to push his successor after 25 days and install his own uncle.

General Somoza Garcia became President again in 1952 and was preparing for yet another term in office in 1956 when a young Nicaraguan poet, Rigoberto Lopez Perez, assassinated him.

His eldest son Luis Somoza Debayle took over as President and Anastasio became commander of the National Guard. When Luis died of a heart attack, Anastasio Somoza Debayle took over as undisputed ruler, following tightly controlled presidential elections in 1967.

Over the years, periodic unrest has shaken the Somozas without budging them. In December 1972 a violent earthquake destroyed the centre of Managua, killed 10,000 people and injured 20,000.

Huge amounts of international aid intended for the victims never reached them. National Guard officers and President Somoza's friends were accused of enriching themselves. The scandal further undermined President Somoza's support.

Two years later, leftist guerrillas of the Sandinista National Liberation Front attacked a diplomatic party in Managua and held a crowd of important government officials hostage.

For many observers the position adopted by Washington is of vital importance to President Somoza's future. The Carter Administration has expressed concern about human rights violations in Nicaragua.

However, a leading Somoza opponent, Senor Ricardo Coronel, aged 45, says: "We don't feel Washington is acting against him (Somoza). We see no evidence to prove Washington wants to remove him."

Senor Coronel is a cattle farmer and has five children. "Somoza is the fundamental source of violence in this country and has been for many years," he says.

"I'm not afraid. I'm a member of a group which has taken a political attitude and we're very much aware of the danger we are in. I'm willing to take the consequences."

General Romulo explains his government's slow move back to democracy Human rights in the Philippines context

Exon-Peter Hazelhurst
Manila, Sept 10

Living up to his reputation for candour, General Carlos Romulo, the Philippines' 79-year-old Foreign Minister, raps his knuckles on top of his desk in anger as he attempts to counter the accusations of Western critics on the sensitive subject of human rights.

"Do you agree with me," he says, "that a basic human right is the right to live out a wholesome life? Well if you do agree, do you see institutions for the aged or old people's homes in Manila?"

"There are none at all. Why? Because we take care of the aged in our homes until they die. We do not send our people to institutions and homes to die in loneliness and solitude."

"This may not fit into the Western concept of human rights but it is our concept. Now which is more humanitarian: a society which discards its aged or one that takes care of them until they pass away? The general idea, summing the top of his desk again to emphasize the point.

Speaking to The Times in what he later described as his "first real heart to heart talk" with a Western journalist, General Romulo went on to make a startling assertion that a democratic system cannot be introduced until 44 million Filipinos develop the "Anglo-Saxon traditions of discipline and sportsmanship."



General Romulo: We have to develop.

"There are four basic human rights, the freedom of expression, the freedom of worship, freedom from fear and freedom from want. In highly developed countries, such as the United States and the United Kingdom, freedom of expression takes precedence, but in developing nations the priorities are different.

"In the poor developing countries the priority of the common man is where his next meal will come from. He does not worry about the niceties of whether he can listen to a speech or read a certain edition. His first priority is his stomach and his family's

stomach". General Romulo, claim that the nation will also have to build up a basic sense of discipline before there is a return to democratic rule.

"Before martial law people did not queue. They would push each other and it was a free for all."

General Romulo admits that at the moment political power in the Philippines revolves around one man, President Marcos. But he disagrees with the predictions that the entire system might collapse in chaos if the President died or was forced to step down.

"We are moving slowly back towards democracy. That is the final goal of the new society. We now have a national assembly and we will be creating new leaders in the national assembly. If anything happens to the President someone will rise to lead the country. Look what happened when a powerful man like Nasser died in Egypt. Everyone said: 'What will happen? Yet Sadat came up.'"

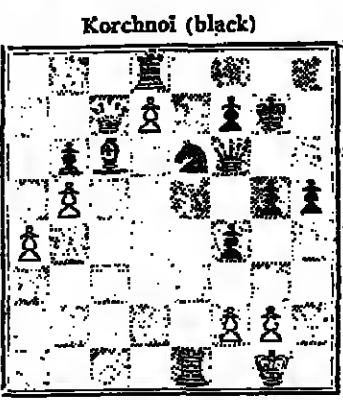
Presidential pardons: President Marcos, on the eve of his sixty-first birthday, granted pardons in 444 prisoners including six convicted of conspiracy to kill him, the presidential palace said.

The clemency, an annual tradition, ranged from absolute pardon, conditional pardon and a commutation of sentence. The six convicted of alleged conspiracy, who were given conditional pardons, included Augustus McCormick Lehman of Nashville, Tennessee, a Vietnam war veteran.—Reuters.

Astonishing draw lifts Korchnoi's morale

From Harry Golombek
Chess Correspondent
Baguio, Sept 10

Position after 41 moves



Viktor Korchnoi salvaged an astonishing draw from a hopeless position tonight to revive his hopes of staging a comeback in the world chess championship.

In the match so far it has been Korchnoi who has been guilty of the worst errors as the score of 4-1 in Karpov's favour shows. But in the evidence of today's play some virus must exist hitherto unknown to medical science, which has now been transmitted from Korchnoi to the world champion whose turn it was to commit blunders. I must call it the Zoukhar virus after Karpov's parapsychologist.

When the twentieth game began yesterday Korchnoi, playing the Caro-Kann Defence for the first time in the match, obtained quite a satisfactory position out of the opening. But an inaccuracy on his twenty-second move, when he played Kt-B3 instead of P-KB4, allowed Karpov to gain a strong initiative which he exploited to perfection.

At the adjournment the world champion took half an hour considering the possibilities and then sealed what turned out to be a mistake. Instead of 42.Q-Q6 he should have played 42.QxP.

As it was, given a new lease of life, the challenger put up a fine resistance. Even so the position was still lost for him and it took a succession of inferior moves from moves 52 to 55 on Karpov's part to destroy all possibility of a win.

At the end of a draw was agreed.

Baguio, Sept. 10.—Overjoyed by the result Korchnoi said tonight: "I have extended the match by at another month." He said the draw was "unbelievable".

Dr Vladimir Zoukhar sat quietly throughout the game in the official seats of the Soviet delegation. None of the challengers' newly-acquired army of mediators was noticed.

Before starting play tonight, Korchnoi had said: "It doesn't matter how many gurus and mediators I have in the hall if I go in there and play bad moves." — Reuters and Agence France-Press.

Twenty-third game. White Karpov, black Korchnoi. Caro-Kann Defence.

1 P-K4	P-P3
2 P-Q4	P-P3
3 Kt-Q2	P-P3
4 KtP	Kt-B3
5 Kt-K4 ch	Kt-K4
6 B-QB4	B-Q2
7 Kt-K2	B-Q2
8 B-B4	B-Q2
9 B-B4	B-Q2
10 B-Q2	B-Q2
11 P-QB3	B-Q2
12 B-B4	B-Q2
13 B-Q2	B-Q2
14 B-Q2	B-Q2
15 B-Q2	B-Q2
16 B-Q2	B-Q2
17 B-Q2	B-Q2
18 B-Q2	B-Q2
19 B-Q2	B-Q2
20 B-Q2	B-Q2
21 B-Q2	B-Q2
22 B-Q2	B-Q2
23 B-Q2	B-Q2
24 B-Q2	B-Q2
25 B-Q2	B-Q2
26 B-Q2	B-Q2
27 B-Q2	B-Q2
28 B-Q2	B-Q2
29 B-Q2	B-Q2
30 B-Q2	B-Q2
31 B-Q2	B-Q2
32 B-Q2	B-Q2
33 B-Q2	B-Q2
34 B-Q2	B-Q2
35 B-Q2	B-Q2
36 B-Q2	B-Q2
37 B-Q2	B-Q2
38 B-Q2	B-Q2
39 B-Q2	B-Q2
40 B-Q2	B-Q2
41 B-Q2	B-Q2

Indian minister's delicate balancing act in Moscow

From Our Correspondent
Delhi, Sept 10

Mr A. B. Vajpayee, India's External Affairs Minister, is here today to begin a week's visit to the Soviet Union. On his way back he is to stop off in Kabul to meet the leaders of the new Afghan regime.

Before he left Mr Vajpayee said: "There need be no doubt that Indo-Soviet relations are an important factor in India's foreign policy". He also confirmed, however, that his planned visit to China, next month or in early November would be discussed during his talks in Moscow.

No one has any doubts here that Mr Vajpayee's visit to

Moscow is going to be an extremely difficult balancing act, so difficult that it is being said here that his trip may be counter-productive.

Any assurances he gives the Soviet Union are likely to be taken away in Peking, and the proposed visit there to "normalize" relations between the two countries is already hindered by concessions the Janata Government has been obliged to make in silence domestic opposition.

The Russians have been showing intense suspicion about any rapprochement between Delhi and Peking, and very obviously getting India's Moscow-line Communist Party to publicise their concern.

Troops sent to evacuate flood victims

Delhi, Sept 10.—Troops were sent to eastern areas of Uttar Pradesh state today to help evacuate thousands of people driven from their homes by floodwaters from the raging Ganges and Yamuna (Jumna) rivers.

While the disastrous monsoon floods receded in other parts of northern India, including Delhi, their rain-swollen rivers continued to spill over their banks in the north-east.

The official death toll throughout the country has reached 1,000, but unofficial estimates have put the total killed at more than 3,500. An irrigation department spokesman in the capital said the worst of the flooding was over.

Vast areas around the Taj Mahal town of Agra and further east around Allahabad were still inundated and the 2,500-year-old holy city of Varanasi (Benares) was cut off from the rest of the country.

Parts of it were under 10ft of water, forcing Hindus to throw corpses into the Ganges because the steps where they cremate their dead were submerged.—Reuters.

Snag over wording of Thai-Hanoi statement

From Our Correspondent
Bangkok, Sept 10

Mr Pham Van Dong, the Prime Minister of Vietnam, apologized today for the problems created by the flow of boat refugees from Vietnam. At the end of a friendly officers' visit to Thailand he said: "We are really very sorry the refugee problem has happened in this way as it is something which affects every country in the region."

He said he had discussed the problem with the Thai Government and that he would continue to study it to see if some solution could be found.

Mr Dong and General Kriangkarn Channam, the Thai Prime Minister, issued a joint statement which had been delayed for several hours because the two sides could not agree on its wording.

The snag arose over sensitive words concerning regional co-operation in South-East Asia. The Vietnamese wanted a reference to their concept of a "zone of peace, genuine independence and neutrality."

The Thais would not accept words that suggested a bilateral agreement with Vietnam on issues concerning all members of the Association of South-East Asian (Asean) nations.

In the end the communiqué expressed the separate views of both countries on the zone of peace proposal, including the following words: "The Thai Prime Minister reiterated Thailand's commitment to work towards the realization of Asean's concept of the zone of peace, freedom and neutrality."

There was also disagreement over the Thai refusal to allow 40,000 long-term Vietnamese refugees who have been living in Thailand for 25 years.

The Vietnamese wished the statement to mention "voluntary repatriation" of the refugees but the Thais refused to include the word "voluntary" as not all of the refugees are believed to want to return to Vietnam.

In one of the most significant paragraphs of the communiqué the two countries pledged themselves not to interfere in each other's internal affairs and "to refrain from subversion either directly or indirectly."

Over the past decade Vietnam had been sending material and moral support to Thai Communist guerrillas, who have been fighting the Bangkok Government in several districts of Thailand.

Richard Hughes writes from Hongkong: Responding to a personal appeal by President Carter the Macao Government has agreed to provide temporary sanctuary for Vietnamese refugees who are still arriving in overcrowded Hongkong.

Macao has already accepted more than 400 refugees from Hongkong and will this week provide temporary shelter for an additional 171 "local people" who were picked up from their sinking craft by an American ship.

Murder hunt doubts on 'Tomcat'

From Richard Wigg
Delhi, Sept 10

Indian newspapers are normally a disappointment if you like to read good crime reporting or believe newspapers actually provide valuable insight into a society's real, if unconfessed, values.

But today the capture by soldiers of an express train of a man said to be "Billa" (The Tomcat), India's most wanted man for the past fortnight, who is accused of a brutal double murder in Delhi, displaces almost all the papers the ongoing saga of the northern Indian flood disaster as the front page lead.

The reporters are somewhat uncertain as to whether the police now have really got the right man and his alleged accomplice, let alone whether they will be able to collect enough evidence to prove the two men's guilt.

The soldiers have already been told they will share the 50,000 rupees (about \$2,500) reward money. The Delhi police superintendent, after days of derision at his men's inability to catch the criminals, was so overjoyed he immediately announced that "The Tomcat" and his accomplice had confessed to the murder of Sanjay and Geeta Chopra, the young son and daughter of an Indian naval captain.

The original motive, he said, was to kidnap them for a ransom, but the children had put up such resistance that the criminals snatched them to death.

When a crowd of several hundred strong, many of them women, later turned up at Delhi's main police station, threatening to lynch the two men, a magistrate had to be brought to their cells, where he remanded them in police custody for 10 days.

Crime reporters who were shown the two men briefly by the police failed to recognize either from the police photographs published while the manhunt was on.

"The Tomcat" is the alias of Jashbir Singh, aged 25, the son of a Bombay taxi driver who has a criminal record and got his nickname for agility demonstrated in two escapes from high security jails and skill in eluding earlier police searches.

According to the police, "the Tomcat's" main activity was driving a taxi in the Bombay area and robbing his passengers. If the passengers were female and pretty he raped them, too.

He speaks three languages. His accomplice "Ranga Khush", whose real name is Kuljit Singh, got his nickname from a Bombay film in which he once played a small part.

WHY OLD PEOPLE NOW MATTER MORE WHEN MAKING A LEGACY

Because there are now more old people, and there will be more each year for the foreseeable future. Secondly, the social services necessarily leave gaps—widening gaps—which someone has to tackle with practical humanity. And thirdly, because old people are so often housebound by infirmity that their need is often hidden in the shabby rooms where they spend hour after lonely hour.

So if you are considering your affairs, send for copies of the two helpful booklets written in lay language, but with skilled professional advice: "On making a will", and "How to reduce capital transfer tax". Write to: Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room T7L, 32 Dover Street, London W1E 7JZ.

Slow liberation for Chinese women

From David Bonavia
Hongkong, Sept 10

The opening of the fourth national congress of Women's Associations in Peking this weekend probably heralds a return to practical activity for its important organization, and a move away from political manipulation.

Liberation of women is a particularly difficult subject in China, which has a long tradition not only of oppression of women, but also of cultural misogyny. This has not been helped by the fact that the so-called "gang of four" villains of the present series of political campaigns, are centred round Mao Tse-tung's widow and fourth wife, Chiang Ching.

During Chiang Ching's last spell of ascendancy in 1976 she glorified the memory of the few women rulers China has known, notably Empress Lu of the Han dynasty before Christ, and Empress Wu of the Tang dynasty, which coincided with Europe's dark ages.

She was not, however, rash

enough to commit herself to a spirited defence of the last Empress Dowager of China who presided over the collapse of the imperial system in the nineteenth century.

One reason for China's historical oppression of women, through such institutions as bound feet and concubinage, was probably the recognition that Chinese women are extremely spirited and dynamic when given the chance, and could easily end up ruling the country altogether if given the chance.

The same could be said, of course, of women of other countries but in China women have proved themselves particularly adept at manipulating from behind the scenes, in the case of the Empress Dowager, literally from behind a screen, while the Emperor gave orders according to her advice.

For all the "Suzie Wong" type of romanticism, Chinese women in Hongkong are known as redoubtable business adversaries, capable, capable administrators, and tough campaigners for social improvement.

One of the most famous of all Chinese popular classics, the novel *Dream of the Red Chamber*, also translated as *Story of the Stone*, portrays girls as creatures capable of an intelligence and sensitivity rivalling that of their more favoured male cousins.

In modern China, however, the woman's role has been enhanced less than the theorists of socialism would like. Some women are members of the Central Committee, but not very many, and you are top leaders since the fall of Chiang Ching.

Indeed, the latter's hatred for Mrs Wang Kuang-mei wife of the disgraced former head of state, Mr Liu Shao-chi, is seen by many as an important cause of the Cultural Revolution in 1966.

Mrs Wang seems likely to be rehabilitated soon, but this will not change the prejudice of many Chinese men that women's jealousy should not be allowed to interfere in politics.

Hongkong move to curb recruiting by U.S. gangs

From Our Correspondent
Hongkong, Sept 10

Hongkong authorities are cooperating with the New York police and immigration officials in a drive to curb the recruitment in Hongkong of young gangsters, belonging to the Triad secret society, for United States gangs.

There has been an increase in gang fighting in the United States Chinese communities, especially in New York, where the two rival Triads, known as the Ghost Shadows and Flying Dragons, struggle for control of the traditional local protection rackets.

Since the relaxation of immigration regulations in 1965, more than 200,000 Hongkong residents have taken up residence in the United States, of whom about half have settled in the New York area.

It is believed that the New York gang leaders now systematically select young criminals without criminal records in Hongkong

Peking expunges political jargon from textbooks

Peking, Sept 10.—New textbooks omitting "all political jargon" will be published shortly in China, the New China news agency reported here yesterday.

The books should be ready this autumn and will be used in Chinese schools, an important step in the dissemination of Chinese education. Foreign language textbooks will emphasize mastery of the language and the ability to read other languages.

The textbook renewal involves all fields of learning. Leading Chinese scientists as well as textbooks used in the United States, West Europe and Japan were consulted by the editors of the new manuals.—Agence France-Press.

Officials dismissed: The Chinese Communist Party has dismissed six party officials in the central province of Hunan for squandering public money, the New China news agency reported. All six were expelled from the party.—Reuters.

"Mummy, Melanie says there's an awful smell from the freezer, and the pork pies are all runny..."

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Motor racing



Veterans being wheeled into an ambulance as drivers and officials gather at the scene.

Italians find champion in Andretti

from John Blunsden
Imola, Sept 10
Mario Andretti acknowledged the heaviest flag at the end of the 40-lap Italian Grand Prix here this evening, but he was not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start. Andretti, who had been in the lead since the start, was not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Yachting

Lone Russians keep clear of trouble in the mist

By John Nicholls
Victor Popov and Alexander Alexandrov, the two Russians, kept clear of trouble in the mist during the 1978 Volvo Ocean Race. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Seipold leads overall

Udo Seipold, of West Germany, led the overall standings in the 1978 Volvo Ocean Race. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Golf

Britain celebrate a rare victory over Americans

By Michael Phillips
Britain and Ireland achieved a memorable win against the United States in the Ryder Cup match. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Cricket

Greig's epilepsy made known in new book

By Richard Stretton
The book 'The Greig Story' by Richard Stretton, a former cricket captain, reveals the struggles of a man with epilepsy. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Tennis

Flushing Meadow awaits the inevitable climax

From Rex Bellamy
The tennis world is waiting for the climax of the US Open at Flushing Meadow. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Rugby League

Pep talk that worked wonders at Wilderspool

By Keith Mackillop
A pep talk by coach Benny Jones worked wonders for the Wilderspool team. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Rugby Union

All Blacks send nine new men on British tour after record defeat

Auckland, Sept 10
The All Blacks rugby team has sent nine new players on a tour of Britain. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Retirement of Edwards ends an era

By Peter West
The retirement of Gareth Edwards marks the end of an era in Welsh rugby. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Scottish made to suffer for sins of omission

By Gordon Allan
The Scottish rugby team has suffered for sins of omission. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Weather conditions fail to upset Miss Brasher

By Jerome Caminada
Miss Brasher was not upset by the weather conditions. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

and Ireland next month. Those dropped are Brian McKenna, who has also played for New Zealand at cricket, and John Ashworth, a prop who has played for New Zealand's tries yesterday.

Bath run out of steam after exhausting week

By Peter West
The Bath rugby team has run out of steam after an exhausting week. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Coventry's goose is cooked with familiar recipe

By Richard Stretton
Coventry's goose is cooked with a familiar recipe. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

Points built up in spite of errant pinball machine

By Nicholas Keith
Points were built up in spite of an errant pinball machine. The two Russians, who were in the lead, were not the man who had finished in first place with his Brabham-Ferrari. It was a surprise to many of the racegoers that the champion was not the Italian, but the American, who had been in the lead since the start.

**The conventional
atlas turned inside out and
upside down**

the world today, being by Nijinsky out of Rosefleur, who not only won the Kentucky Derby but Vermeille but also finished fourth in Vaguelite Noble's Prix de l'Arc de Triomphe. Arc was a second winner in the Diamond Stakes to seal his reputation as a champion of Bourlons.

With the Arc in view Vincent O'Brien had good reason to be optimistic. "Allied has continued to please me since his excellent effort on the Curragh on September 10," he said. "He did not lose weight and his pace of Ormeau at Longchamp next Sunday will be last year's winner's proprietary." Vincent O'Brien also said that Solinus would run in the Airlie, Colours, Castle Hyde and the Prix de l'Arc on November 20. "And if Solinus was in this style," O'Brien went on, "there is no reason why he should not be the Prix de l'Abbaye. After all there are 11 days between the two races."

It was not long before he found himself an outstanding sprinter. And, a victory in the Abaye would be enough to establish him as a champion of the racing career. O'Brien concluded by saying that his only likely runner in England would be the Tipperary winner's third winner at Phoenix Park on Saturday.

But the Tipperary winner failed to stay when second to the de Bombon in the King Edward Stakes. And the Tipperary winner Gunner B to the Eglwyf will be aimed at the Queen Elizabeth II Stakes, run over a mile at Ascot on November 11.

On the morning of the first stage of declarations for Wednesday's Champagne Stakes, sponsored by the Jockey Club, the field was dominated by R. C. Chestie and More Light. Both have made

Hardgren will be Michael's first start in the Claret and Cream stakes. Our local correspondent says that the Irish Celtic colt has been moving in great style since being moved to his easy way out at Newmarket. Stoute said yesterday that Veality Great was now a candidate for the Claret and Cream. "He worked very well on Saturday morning and the three-year-old is a very good horse," he said. Instead of Ascot for the Diadem Stakes, "Veality Great has been sent to the Claret and Cream. It is a great handicap, since his easy victory at Newmarket and is now clearly favourite with the Town at 10/11." The Irish colt, says Fair Salina, would take his place in the line up for the A.C. Stoute must add: "I don't think he is a horse to bet on to tackle the colts. After winning the three group one races for filletted geldings, it is not surprising that there will be nothing to prove by his performance in the Claret and Cream. Newmarket trainer porters out if Acamatz Alleged had already won the Claret and Cream, his performance would have settled for the Vermelle. But as time is getting on, Stoute has had to make a decision.

One thing that is certain is that Fair Salina's stamina and good action will be a great asset to him. He stands in the rough and hard work of Europe's most valuable race. Sven Hanson's filly is top priced at 10/11. The Irish colt, says Fair Salina, Alleged's favorite at 3-1 with Acamatz at 11-2. Yesterday's Prix de la Reine, says Fair Salina, was a charade and Gay Meechie, who captured the Prix Niel earlier in the afternoon, stands at 14-1.

STATE OF RACING. **Hottish** winner: Good to Run. **Hennan:** Good to Run. **Winn:** Good to Run. **Contrast** tomorrow: Good.

gives his verdict

history in motion. For example, most historical atlases have a map of Western Europe as Rome declined towards its sunset. German cartographer G. H. P. Meier decided that they should attempt to show medieval pressure on all the ancient civilizations at the same time—not just the Huns and the Goths pushing against Rome, but the westward pressure of the Arabs, the Byzantines, the collapse of the Persian Empire, the Shansi invasions of China, and the White Huns pushing down into India. With different ranges of colour and perspective the map shows the world as a whole that exploded from the centre to destroy the classical world.

After much trial and consultation with such eminent world historians as Arnold Toynbee, they selected 127 subjects that they felt would show the origins of man to our brave new world of rich and poor. They engaged 80 historians, often the choice and master experts in their fields, as contributors. The professors were brought in at the beginning, to originate the subjects, and to meet, merely at the end to weed out error in the themes regularly treated by every historical atlas since the original Atlas shattered our noisy habit. They instructed their contributors not to regurgitate the facts of the past, but to write historical atlas, but to think of new ways to express the real story of their subjects. So, for example, the main map illustrating the struggle for empire between 1713 and 1815 is more than two thirds sea, in order to dramatize visually the importance of sea power. The western fringe of the old world and the eastern fringe of the new are the theatre of the trade of the unharvested Atlantic that decided the issue.

At this point Rolls-Royce went into liquidation, leaving unemployed its large design studio used to producing spectacular graphics. This studio had an ingenious machine called an "Illustromat", which could plot three dimensions from a photograph of a subject, with mathematical exactitude to achieve any perspective. They tried it out on such tangled history as the Balkans before the First World War. This produced perspectives that showed the mountains of Greece, Yugoslavia and Serbia, to free themselves from the Ottoman Empire, and the great powers growling on the edges like wolves in the upheaval that was about to explode into war.

The computer produced two maps upside down in order to show new historical map perspectives. For example, it produced a Dostev's eye view of Venice's empire, with the Adriatic curling away to the fa ce of battles and fortresses with romantic names like Monemvasia, built to make the Venetian empire look like an empire from pirates and the Turk. The map of the expansion of Islam in the seventh century correctly places Mecca at the centre of the world. The Arab defeat at Palmyra by Charles Martel, Franks, so vital to our future in

our patch of real estate in Western Europe, was not more than a border incident in the eyes of an Arab at Mecca. So it is shown away on the world's rim.

The maps are intended to express a view of what happened and to make people think of the present. Illustrations of the maps are used to make them, in order to achieve new effects and new vistas in history. They were prepared to sacrifice standard cartographic detail, for example about the shape of countries, to achieve colour and shape, a sense of movement and expressiveness. Each double-page spread has a main map that illustrates its theme in as vivid a way as possible. It has a caption, a detailed key, and there is an accompanying text of several thousand words, subsidiary maps, and illustrations. The atlas treats themes never examined by a historical atlas before, for example, the recovery of England from devastation after the blackwater to become a powerful feudal civilization in the two centuries after 950. There are detailed chronologies and glossaries. The atlas has 360 pages of which 280 are in colour. It has cost £500,000 to produce and will be shown in several languages. It opens new windows to show open perspectives on that perplexing old chaos, history, whose principal lesson is that men never learn from history.

Philip Howard

100 miles above the surface of the earth.

This suggestion of world history within a universe wider still is repeated at many points to make clear Bunyodist's main theme of dynamic human interdependence. To drama-tize the linked destinies of the Europe and the Near East, for example (the term "Eurasia" is wisely used throughout), an atlas of the world is roundly dis-ETHIOPIA is favoured; to com-prehend the full stretch of the Frankish Empire in the ninth century the eye moves west to the Greek north from Sardinia; the Frankish triangle based on the Alpine Cassino and the Pyrenees reaches tip to the mouth of the Rhine.

Many traditional perspectives are unceremoniously stood on their head: we see the 16th century Adriatic southwards straight at the eyes of Venice herself, and Greece as now seen the dangerous arrows that lead to her livelihood in the rest of the world; the wave of immi-grants from Europe to the United States in the 19th cen-tury is foreshortened as if through a telescope pitched on the Ellis Island where mil-lions coming. Foreboding is a common device: flat pro-jections are, often replaced by hallics and clouds of the globe to a kind of cartographer's glo-riofessionism which, whilst it is not the worst kind of self-de-ception, may bring Britain in the iver-sary years of the Industrial Revolution. (three mentions for Stockport!) it should be oc-curred like an old woe-beggar that this is not the most constructive and exciting. Time and again, surging arrows end in flaming hoops in brilliant pri-mary colours demonstrate that the history movement is not dead.

The Time Atlas of World History also sets out to be a concise history of the world. Barraclough divides it in seven: the first civiliza-tion; the classical civilizations of Europe; the Middle Ages; the world of which he calls the world of the West (voyages of discovery, Napoleon); the European domi-nance; the modern world; the modern civilization. Each double-page of diagrams, drawings and maps is accompanied by the summary text of an unnamed specialist (all are listed at the

start) advancing stage by stage the history of men. Bar-clough's contributors generally stress elements common to areas of the earth—world reli-gions, barbaric invasions—rather than those dividing them: the effect is one of healing and reconciliation.

He prefaces the atlas with a 12 page chronology of events from the "Neolithic Révolution of c 9000 BC to the death of Franco and the reunification of Vietnam (to adopt the tone of the atlas which scrupu-losely declines to take sides, but doesn't seem to know the famous Berlin Wall with the present German Demo-cratic Republic—my Italics. It is nice to see Disney, if strange to see René Clair, among the elite innovators of the cinema since that time). The remainder of 1939, Howard's *Garden Cities of Tomorrow* initiates modern city planning" will mean little to readers outside Britain: Ebenezer Howard is not in the selected glossary at the end since that is the remainder mentioned in the atlas itself.

This makes Franz Ferdinand more important than Fritz Josef since 10 seconds of assas-sination are clearly more dyna-mic than 58 years of *status quo* and more important than the significant time Marmilian be-cause Suez there's compounded a political *fait accompli* rather than inflite a wild of change. The way some reputa-tions should be set against the history of the world. Diesel in, Diderot out. (Huey Long in I Why?)

In the chronology, "the great age of the European novel" 1850-1900 is more important than Dumas and Turgen-ve while excluding Balzac, Stendhal and George Eliot. "Cultural and intellectual" "does not" include the English, the French, unfortunately, least interesting factorily to cartographic docu-mentation", but if you can show the Pelagian heresy in sucking pink air strikes out for the Pacific and Africa, and Doomsday as a brilliant yellow booby trap in the desert south of Hippo, can you not attempt something similar for the European Enlightenment?

The sturdy thumbnail colour-sketches of celebrated monuments or artefacts—Tra-jan's Column, Charlemagne's Chapel, the Bamberg Rider, a

Meissen merchant, etc.—are a serious mistake, though the car-toons and caricatures are not effective. But how important are these things who compares with the great civilizations of the Near and Far East or with the economic necessities linking the East and West? The atlas is a mess. Act II, Scene 4, Naxos with Egypt (emery) of amber from the Baltic with lapis lazuli from Aghaistan.

As an atlas of world history it is the place to ask, not answer such questions. The historical importance of Hellenic civilization, for instance, is hardly com-prehended by maps of military naval and land movements. The end small panel in which two lists of immortal names con-verge upon Athens. Should we now learn to assess the importance of Greece and Rome and just compared with that of the world? But we have long learnt not to do so to those of India, China and Islam?

The answer is obviously yes and it is a task for which this atlas is supremely well de-signed. An atlas proves its character and value over many years, but from a future point of view one clearly going to provide pleasure and corrective instruc-tion on the grand scale.

A few maps to end with. There is a map showing the sacred caves of Crete, and another the Bendis sitdown. There are maps of the Ghosts of the Dead. There is a map of the Nile, and another showing the state of the world as Rome fell. The Vandels the White Huns destroyed the Gupta Empire in 450 AD. (something I knew nothing about, but I know the third of the contents here. Eight more conventional maps reduce the complexities of European diplomacy between 1814 and 1914 to more lucidity and clarity. The atlas is well seen, and for the first time I have found a map to show me clearly all three members (two in part) of that old music hall joke of the states of Cleve-land, Jülich and Berg.

You know about OPEC, of course, but what about UFEEZ (Union of Banana Exporting Countries), and most urbane of price-risers, the Café Monde? You do think of it, the Café Monde, and make like the perfect place to pore over this atlas.

Michael Ratcliffe

big Dutch event

By a Special Correspondent

Michael Ryan, the Newmarket trainer, took the first two places in the \$4,100 Dutch Quarter Horse Futurity on Saturday. Boxberger Queen (Kevin Davis) beating Boxberger Kevin (David Maltland) over the quarter-mile lengths for the \$4,100 prize.

Ryan has ood ood ood. six races and more than \$30,000 in prize money to his credit in 1976. This year, he looked like to take this ood with Boxberger Kevin when she took up the running emerging from the gate and he didn't hold the challenge of his stable-companion in the final furlong.

The Criterion was the main event on the first all-flat racing card on Saturday night, with 25-year-olds. To mark the occasion, Yves Saint-Martin was invited to become the first female jockey to win on one and finishing second twice as well as riding Lady Ross-into third place in the Criterion.

Dunduff, usually stages six trotting and three flat races at each meeting... but Saturday's experiment was a first and said to be likely to be repeated next year.

[illegible][illegible][illegible]

by Our Newmarket Correspondent

[illegible][illegible][illegible]

The British Empire is no longer sacred. In days of old—say, 27 years ago—France was purple and green (equally preposterous, we thought, in the Fifth Form). Spain a hot pale yellow (well, Spain was supposed to be arid, wasn't it?) and Portugal a sort of cross between orange and clover. Angola and Mozambique, too, of course, not to mention the Cape Verde Islands. Britain and everywhere remotely connected with her, from Ellipsiette Island to, Incercargali, were red.

Absurd though it was, the choice of colours, graphically conditioned my view for years.

I was amazed on my first visit to Spain to discover how green it is, much of it, and how *The Three Ages of World History* comes to present the British Empire in a kind of anorectic grey, tinged with mauve, this perfectly reflects a equivocal view of the imperial adventure proper to the age. It is not the only view in the post-colonial age. It cannot be a coincidence that the only time the Empire turns red is Nobody learning to use this dramatic and beautiful new Atlas will ever again look at history from that point of view. It is this radical approach that distinguishes it from its predecessors and places it well ahead of its only important competitor, the German-based *Atlas of World History* (1964), a great deal less successful to historical and geographical scholarship since 1964, and Geoffrey Barraclough's *Atlas of World History* has started again. Barraclough's *Atlas* is written by Barraclough in his short introduction,

dynamic, not static; it is a process of change and movement rather than a series of static pictures of particular situations at particular times.

They have succeeded. The Atlas opens on a note of high idealism, with the title-page showing a broad and unhibited plain, velled by a river-system, with a rising sun in the background. It is a setting for the dawn of civilisation, for cities of settlement and wandering throngs of men. The plain and the mountains appear to be viewed from the eye of some omniscient or hovering god, so

100 miles above the surface
the earth.
This suggestion of world his-
tory within a universe wider
is repeated at many points
make clear Barraclough's
in theme of dynamic human
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prehend the full stretch of the
Mongolian Empire - in the ninth
century the eye moves west to
the north from Sardinia; the
Mongolian triangle based on
Tartary Cassino and the Pyrenees
reaches tip to the mouth of the

many traditional perspectives
unintentionally stood on
its head: we see the 16th
century African southwards
through the eyes of Vasco da
Gama and across the sea
dangerous arrows that led
her livelihood in the rest
of the world; the wave of immi-
grants from Europe to the
United States in the 19th cen-
tury is foreshortened as if
though a telescope pitched an
angle towards the horizon
as it comes. Foreboreneering
a common device: flat pro-
blems are often replaced by
rises and chucks of the globe
a kind of cartographer's ex-
pressionism which whilst it
clarifies the complexity of
events why Britain in the inven-
tion years of the Industrial
Revolution (three mentions)
like an old wheeler-dealer
the classical method in its main
destructive and exciting. Time
again, surging arrows and
revolving loops in brilliant pri-
mary colours demonstrate that
the world was becoming one.

The *Times Atlas of World
History* also sets out to be a
comprehensive history of the world.
Barraclough divides it in seven:
I. The classical civilizations
II. The Middle Ages
III. The Renaissance
IV. The Age of Discovery
V. The European Domination
VI. The Modern World
VII. The Future
Each double-page spread contains
a diagram, drawings and
maps. It is accompanied by the
main text of an unnamed
author. All are listed at the

advancing stage by stage history of man. Bartolotta contributors generally contribute common to of the earth-world rebarbaric invasions rather than those dividing the effect is one of healing and consolation.

He prefaces the atlas with a historical chronology of events from the Neolithic Revolution of c 9000 BC to the death and the reunification of the world to adopt the tone of the atlas which scriptural declines to take sides, but does concede that the famous Berlin Wall was a temporary German Democratic Republic-my italics. It is to see Dimey, if strange as René Clair, among the innovators of the cinema of the 1960s. Chaplin's "The Great Dictator" and Howard's *Garden Cities* narrow initiates modern planning" will mean little readers outside Britain: neither Howard is not in the atlas, glory at the end of the century are mentioned to the atlas itself.

A makes Franz Ferdinand important than Frantz since 10 seconds of assassination are clear-v more dynastic 68 years of status quo. The atlas is significant than Marmilian because there, y compounded intellectual fait accompli rather than a wild of change. As the way some reputations in the history of the world. I in disorder out. (Huey) in Why?

The chronology, "the great European novel" (1900-1950), and Dumas and Turgenev excluding Balzac, Stendhal, George Eliot. A cultural "intellectual history," "precisely," "uses only the most useful critically to bibliographic documentation." But if you can call the Pelagian heresy in dogmatic as it strikes out against the East and the West, and Daoism as a brilliant booby trap in the south of Hippo, can you attempt something similar with the European continent?

study thumbnail sketches of celebrated monuments or artefacts—Trajan Column, Charlemagne's throne, the Bamberg Rider, a

merchant, etc.—are
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sounds like the perfect
pore over this data.

Michael Ratcliffe

LA CREME DE LA CREME

11

Eric Moonman

Will there ever be black trade union leaders?

Even in my home town Liverpool, always a militant stronghold, no black or brown candidates were put forward for election

The labour movement is against racism—no one can have any doubt about that. At Labour Party and TUC conferences resolutions opposing racism get passed with speed and enthusiasm; and whether the speaker is Joan Lester, the present Labour Party chairman, or Jack Jones, the former general secretary of the TGWU, or any other key Labour Party or trade union personality, there is no hesitation to indulge in condemnation wherever racism can be detected.

And the further to the left we go, the rougher the language gets, so that *Militant* and the other Trot papers can hardly contain themselves in their anger. No—there is no doubt—the labour movement is against racism.

But what does being anti-racist add up to in real terms? Does it bring any closer a multi-racial society, one in which people of all races feel they belong, rather than one in which they are merely tolerated if not actually rejected?

How far have the Labour Party and trade union movements made positive steps to make welcome and use the talents of their black and brown members and potential members?

How far have they shown themselves willing to identify with the aspirations of the minority groups in Britain in practice as well as in theory? Last week's TUC conference offered little evidence that any of these questions were understood let alone honestly answered.

Certainly, the Labour Party's anti-racist stance has not brought into the House of Commons any black Labour MPs, nor can we expect any after the next general election, since those who have been selected, as prospective Parliamentary candidates will not be standing for safe, or even marginal seats.

Without any disrespect to my new Parliamentary colleague for Lambeth Brixton, did that constituency even consider the possibility of a candi-

dare drawn from the black population? And in local government, even the big metropolitan authorities, which ought to reflect the reality of the multi-racial make-up of their populations, have few black councillors.

And Liverpool, my home town, always a militant Labour stronghold, put forward no black or brown candidates in its local elections.

The trade union movement has done no better. At conference and branch enthusiastically pass motions condemning Margaret Thatcher or Enoch Powell, is no one asking: where are our black trade union leaders?

How many regional or local officers are black, let alone general secretaries or presidents? And the general unions do not make any better showing than the craft unions. It is by no means uncommon to find in the textile industry a whole neighbourhood of Asian workers, with only two white workers, and they would be the shop stewards.

This contradiction between words and practice deserves closer scrutiny. The policy of the TUC towards racial discrimination was first set out unequivocally in a resolution passed at the 1955 annual conference, which, after condemning "all manifestations of racial discrimination or colour prejudice", urged the general council to make the trade union attitude clear on every possible occasion and "to give special attention to the problems emerging in this country from the influx of workers of other races with a view to removing

causes of friction and preventing exploitation".

The general principle has been reaffirmed over and over again, but until 1975 no positive action appears to have been taken and in practice, the trade unions often acted in ways which alienated the coloured workers. But mostly they failed to act at all—they failed to organize and involve the coloured workers, they failed to make allowances for different cultural and industrial backgrounds, and, worst of all, they failed to educate their existing members to accept the presence of their new colleagues.

By the early 1970s a series of industrial disputes, in which black workers complained of discrimination by trade union officials, led to the consideration of the establishment of separate unions for black workers.

The two critical strikes were the Mansfield Hosiery strike, where the Asian workers went on strike for equal access to skilled jobs, and were reluctantly supported by the union but not by the white workers in the factory; and the Imperial Typewriter strike.

But in the latter, the Asian workers strike committee totally rejected the idea of separate unions, declaring that black workers must join the existing unions and fight through them. The General Council, in its turn, rejected the idea of separate unions, declaring that black workers must join the existing unions and fight through them.

And they demonstrated that as activists they were not only active for themselves, for nearly all the workers at Imperial were fed up with the bonus

system over which they struck. And the way in which management put through an unpopular productivity deal during the Mansfield Hosiery strike should have indicated to white workers the way in which divisions between black and white workers can be used to their disadvantage.

In any case, the separate trade union issue is now dead. It only became section 11 of the Race Relations Act makes it unlawful to discriminate on racial grounds on the terms on which organizations of workers admit their members.

The select committee of the House of Commons on Race Relations was very critical of the TUC in its 1975 report on employment: "The record of the TUC is similar to that of the CBI, in that both organizations have declared their opposition to racial discrimination but have taken wholly inadequate steps to ensure that their members work effectively to eradicate it."

The facts behind such criticism were effectively illustrated in a *New Statesman* article in October, 1976, which examined the prevailing situation at Ford's at Dagenham, which comments in particular on how few black workers are trade union officials. Even allowing for the need for time to replace before workers can move up the hierarchy of the trade unions, the record is poor.

The General Council dispute, perhaps marked a turning-point in trade union support for the grievances of black workers. But the very scale of the response smacked of guilt for past failures. In addition, there have been organizational changes in

the TUC with the establishment of an Equal Rights Committee and a Race Relations Advisory Committee.

A model equal opportunity clause has been formulated which has been recommended to all unions for inclusion in appropriate collective agreements. The TUC is also giving more attention, along with individual unions, to the provision of training material and training courses for officials and shop stewards.

Nevertheless, the bulk of trade union and Labour Party effort, as well as of the extreme left-wing parties, is going into propaganda exercises aimed exclusively at the National Front. While I would not for one moment suggest that these efforts are misguided—we underestimate the danger of the NF to civilized society at our peril—this is not, in the long term, going to eliminate racism. It is going to concentrate on minority rights at the expense of the majority.

What the Labour Party and the trade unions should be aiming for is altogether more positive. It is the acceptance of our black members not only as representatives of their own race, but as capable of representing—as union officials, local councillors and Members of Parliament—everyone who shares their working conditions and environment, white as well as black.

Racial equality means sharing the burdens of office as well as the fruits of collective bargaining and Labour Government. It is not enough to be against racism—we have to be for something—and that something is a society in which the equality of opportunity is a reality. That, after all, is what the Labour movement is about.

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The author is Labour MP for Basildon.

Clearing the name of a Stalin victim

Nikolai Ivanovich Bukharin's 50th birthday this month is being marked by a world-wide campaign demanding his rehabilitation.

But the silence with which the campaign is being met by the present leaders of the Soviet state Bukharin hoped to found indicates that the body of the Old Bolshevik will stay in the unmarked grave to which he was consigned by Stalin after one of the most blatant show trials in 1938. The Soviet leadership's frightened and immovable posture on the issue of rehabilitating Stalin's victims is being challenged by a growing number of communist parties abroad. They feel that they have nothing to lose and quite a lot to gain if Moscow is forced to open the Pandora's box of Stalinist purges.

The appeal of Yuri Larin, Bukharin's son who lives in Moscow, to Signor Enrico Berlinguer, the Italian Communist Party leader, to back his fight to clear his father's name has received unequivocal support. The British and Portuguese parties, the support Bukharin's rehabilitation, as have a number of British and West European Social Democrats.

The Bertrand Russell Peace Foundation has been active in seeking support for the rehabilitation move. Its leader, the writer Mr. R. K. Coates, its director, has drawn attention to Bukharin's claim, made in Paris in 1936, to have written virtually "single handed" the 1936 Soviet constitution, including its sections on freedom of expression and association and the "inviolability of the person". These civil rights provisions have now been carried over and incorporated into the new "Brezhnev" constitution.

Mr. Coates suggests that "the continuing injustice to Bukharin needs to be evaluated within this context. If the main author of key passages in the fundamental law of the Soviet Union cannot secure justice even posthumously, even after 40 years, what is the value of that fundamental law for other citizens?" There is reliable evidence that Bukharin's claim is correct. It was accepted by the Soviet government in 1934. Stalin played for time by pretending that he was seeking internal harmony. In 1935, he gave Bukharin and some of his other opponents, the task of drafting the new constitution. Bukharin's draft for Chapter X, which deals with the fundamental rights and duties of citizens, was based on the notion of "class peace" for several generations.

But as the purges were getting into their stride, the civil rights provisions of the constitution became a joke and Bukharin's ideas on the withering away of the state a burden. Stalin solved the "contradiction" by having Bukharin, Bukharin's draft for Chapter X, which deals with the fundamental rights and duties of citizens, was based on the notion of "class peace" for several generations.

However, the conclusion drawn from this and from Bukharin's various ideological clashes with both Lenin and Stalin appears to be giving rise to beliefs among communists and Socialists that had Bukharin won his fight against Stalin, the history of the Soviet Union—and therefore of the world working class movement—would have taken a quite different and certainly gentler course.

This belief appears to have gained little credence in Eastern Europe, where it is better realized that in each crucial phase of the building of a communist society the Russian tradition proved stronger than the utopian ideals of the Revolution. Consequently, the moves to have Bukharin rehabilitated



Nikolai Bukharin: only silence greets the world-wide campaign to rehabilitate this Bolshevik who helped to found the Soviet state

lack the starry-eyed approach that is beginning to emerge in the West.

There is of course a certain amount of sympathy among intellectuals for this Old Bolshevik victim of "Genghis Khan", as Bukharin used to refer to Stalin in private, but this is linked with the hope of discomfiture for Moscow. And uppermost in the minds of the few who take it the expectation that by forcing the heirs of Stalin to admit officially yet another murderous episode from their past, Moscow's claim to the moral leadership of the communist movement—and its hold over Eastern Europe—would be weakened.

Yet Bukharin's role in and intellectual impact on the revolution that changed the course of history deserves to be judged not by the short-term campaign interests of Western or Eastern European left-wing movements but by his ideas and actions. This is the more important as the course taken by Stalin on issues such as forced industrialization and collectivization is still being held as the only doctrinally correct path to socialism open to the party, and consequently an example to all communist regimes.

Bukharin, in the attempts to attain the party's pre-revolutionary objectives, often clashed both with Lenin and Trotsky and took on several occasions more extreme positions than either.

His theory that the collapse of world capitalism would lead to the rise of a worldwide dictatorship of the proletariat paving the way for the transformation of world capitalism to world communism contrasted sharply with Trotsky's doctrine of "permanent revolution". And out of their divergent revolutionary perspectives grew diametrically opposed views on the building of socialism in Russia.

He treated nations as obsolete and challenged Lenin's support for national self-determination (the right of secession) as utopian and harmful. Luckily for Finland, Lenin won this fight.

He also took an extreme left position on peace with imperialist powers and opposed both the Brest-Litovsk peace

talks with the Germans and the acceptance of aid from the Western allies. He continued to oppose Lenin on this even when Trotsky ("no peace, no war") was prepared to let Lenin carry the day.

He also opposed Lenin on the introduction of the post-war war NEP period declaring it a "retreat" but soon he moved from this extreme leftist position to the extreme right of the Soviet spectrum, accepting the new economic policy as a resumption of the party's "moderate course" interrupted by the civil war.

From then onwards he propounded a gradualist transition course to socialism within the objective limits imposed by the material and human legacy of the Tsarist order and the narrow political base of the party. Socialism could be attained in Russia without external aid by encouraging maximum consumption by the single largest group in the country—the peasantry—and by providing it with cheap industrial products.

Trotsky's theory of extracting the necessary capital for industrialization from the peasant and workers through sheer exploitation, he claimed, would lead to economic breakdown and political chaos. He proposed agricultural cooperatives instead of collective farms and acted as the champion of the peasantry.

He also made common cause with Stalin against Trotsky. But having acted as Stalin's willing tactical ally, from 1924 to 1929 he clashed with his former ally, who in 1929, when his gradualist programme was abandoned by the party and Trotsky's refurbished policies of "enforced" collectivization and rapid industrialization was put forward by Stalin as his own panacea.

Having helped to destroy those opposed to him during his honeymoon years with Stalin, he had no allies or power-base when Stalin moved to dispose of him in 1938.

During the show trial he abjectly pleaded guilty to the patently absurd charges and was sentenced to death and executed.

Gabriel Ronay

The insect war being lost in Rhodesia

The tsetse fly inspection officer at Mushambi Pools is a large lugubrious man with a shaggy beard and a nervous twitch which has come from living alone for years in remote parts of the Rhodesian bush.

He sits quietly in his shanty-roofed office, his rifle leaning against his desk, with no one to talk to and little to do because the guerrilla war has brought tsetse fly control operations in this area to a virtual halt.

Mushambi Pools lies in the Zambezi valley about 100 miles north of Salisbury. It is a beautiful place, situated on the banks of the Save river where herds of elephant and buffalo roam freely and where the acacias and mopani-trees make the countryside into a patchwork of yellow and green. But it is also an area which is, in the words of the local European natural affairs officer, "infested with tsetse flies".

The guerrillas—apparently belonging to both wings of the Patriotic Front, but operating separately—cross into this area from Zambia and Mozambique

before making their way up the escarpment to the Spillio European farming area where 14 farms have been "revived" (attacked) during the past fortnight.

They have also carried out attacks on Mushambi Pools which is situated in the Dundee tribal trust land. A month ago they completely wrecked an office, store and African village belonging to an agricultural project run by Tloko (the government-sponsored Tribal Trust Land Development Corporation).

A week ago they ambushed a security vehicle at Angwa near by but no one was hurt. No tsetse fly control operations have been carried out in this area for the past two years because of the war. "We are just remaining here on a care and maintenance basis," the tsetse fly inspector said, "we should be out in the bush now spraying and shooting tsetse fly carriers, but it has become impossible to do so."

Rhodesia's large and valuable cattle population has been one of the main (but largely unrecorded) casualties of the guerrilla war. According to Mr. Mark Partridge, Co-Minister of Agriculture, cattle worth £45m. have died this year as a result of guerrilla disruption of cattle dipping services.

He estimated that more than half a million cattle would be lost either through ryanosomiasis (a disease caused by tsetse fly), tick-borne diseases or stock theft, most of them in the north-east of the country.

The guerrillas appear to be carrying out a deliberate policy to disrupt services aimed at controlling cattle dipping. They have been destroying dip-tanks, intimidating African farmers against cattle dipping, killing veterinary workers and preventing inoculation and spray teams from carrying out their work.

Three years ago we had virtually cleared tsetse fly from Rhodesia and pushed it well back into Mozambique," said the tsetse fly inspector. "If Freilino had been prepared to cooperate we could have pushed it right to the sea. Now however, many areas are infested again. It will take years to bring the situation under control."

The aim of the guerrillas in this area seems to be to bring about a complete disruption of all forms of local administration. "That they have not entirely succeeded is due to the efforts of a small group of Europeans and their African assistants to keep basic services going."

The Tloko project which was attacked last month involves the initial development of 4,000 acres of land, most of which has been used for growing cotton. The aim of the scheme is to provide employment in an area where there is virtually no work and to encourage tribal farmers to grow cash crops of their own.

"I can't understand why they should attack the Tloko estate," said the local Tloko representative. "They are just destroying what is their own." However, he was determined to carry on with the project and had plans to develop other areas.

Fortunately the damage done during the attack was not irreparable and, more importantly, the workers had not been intimidated into leaving. So

production had not seriously been disrupted.

There is also a small government-subsidized clinic at Mushambi Pools which has so far avoided disruption by the guerrillas, perhaps because it is within a rifle-shot of the local Internal Affairs camp.

The clinic is run by a young African nurse who dispenses medicines and good advice at about 20p a visit to tribespeople from the surrounding area.

Once a month a European doctor, accompanied by a black and a white nurse, fly up to Mushambi Pools to examine cases which the nurse is not qualified to treat and to inoculate babies.

The visits only last a few hours and probably achieve little in purely medical terms. But they are important in helping to "maintain a presence" in the area and demonstrate to the local population that the guerrillas have not been abandoned, despite the difficulties and disruptions caused by the war.

Nicholas Ashford

LEAPMAN IN AMERICA

What I find inexplicable about the current vogue here for "how-to" books is the quantity of different books telling you how to do the same thing. A few weeks ago I wrote about running, or jogging, and the number of books in the best-seller lists giving instructions on doing it. I cannot think that any-

one really needs a book to tell them how to run: it is a basic physical activity which comes naturally to children.

Even if, stretching a point, there is some far off book how to run, there is only one way of running. After cookery books, which

are a special case, the most common species of "how-to" books are those telling parents how to bring up their children.

There is indeed a right and wrong way to raise children then, all the books ought to be giving the same advice, which seems wasteful. If they are giving different advice, how do we know which one to believe?

The latest arrival on the crowded scene is one of those books which number hundreds, said, after it has appeared, that we should have seen it coming. The sub-title of Paul Hershey and Kenneth Blanchard's *The Family Game* is "a situational approach to effective parenting" (published by Addison Wesley of Reading, Massachusetts).

The invention of an ugly verb out of the noun "parent" should be warning enough. The two authors are experts in management training rather than in child psychology, and the book simply converts some of the techniques of managing companies into techniques for managing families.

"We've been telling people that what makes a good manager is a person who tells people who work for him what he expects of them," said Blanchard, when he came to see me in my office. "That's how to train winners."

Most parents don't make clear to their kids what he expects of them. So kids don't know. Once you make that clear to them, you can determine what style you're going to use with them.

To hit on the right style of parenting (sorry) is the secret of success, according to Blanchard. To help in the selection the book is dotted with graphs and charts of a daunting complexity, again betraying its roots in management study techniques.

The graph which is reproduced here, with its dizzy interlocking arrows, relates the child's level of maturity to the best technique to use with him. The four approaches are telling, selling, participating and delegating, and it will surprise nobody to learn that you have to tell the least mature children, while you can delegate to the most mature.

Those of you who follow my work in other parts of this paper may find the chart familiar. It greatly resembles the latter curve, a device invented by Arthur Laffer, an economist, to show that there is a point at which a higher level of taxation produces lower tax revenue for the taxing authority.

The Laffer curve does not actually show at what level that point of counter-productivity is reached. Like the Hershey-Blanchard curve here, it uses the logic of the relationship between the exact sciences like mathematics, to portray what is no more than a general concept, making it seem more scientific than it is.

Another gem of the art in the book is something called the Johari window, so named because it was invented by two psychologists called Joe and Harry. It is a square divided into four quadrants, supposed to show "the relationship between a parent's self-perception of leadership style and the perception of others—particularly the parent's children."

It would be comforting to think that men who believe that the skill of dealing with children can be reduced to graphs and jargon has never had to do it himself. But both authors are the sons of parents who were on whom they can experiment. Blanchard has two and Hershey a daunting six.

Indeed, Blanchard tells a frightening story of how his 13-year-old son, who has also read the book, complained that Blanchard ordered him to clean up his room in a "telling" manner, when a softer "selling" approach would have been equally effective. In any event, the room was tidied.

To judge from the book, getting children to clean up their rooms is the chief disciplinary problem American parents face today. It crops up constantly in the examples (A. English) purist would retort that a properly brought-up child would not get his room dirty in the first place.)

Blanchard says that he has been training his children in this way since they were two or three, that is when he went into his first management conference with them and said: "This is what we expect of you"—expectations which naturally included precise broom and mop instructions.

"If my kids want me to leave them alone or to be supportive of them, they know that all they've got to do is perform," he said. The parent, naturally, has to appreciate the performance.

As an employer who wants his workers to perform well will praise them when they do so, and not simply blame them when things go wrong, so a parent should learn to "hug" his child. Blanchard uses the word in a spiritual rather than a physical sense.

Some 15,000 copies of the book have been sold so far, he says. Some have been bought by fathers who first came across Blanchard and Hershey's work in the field of management.

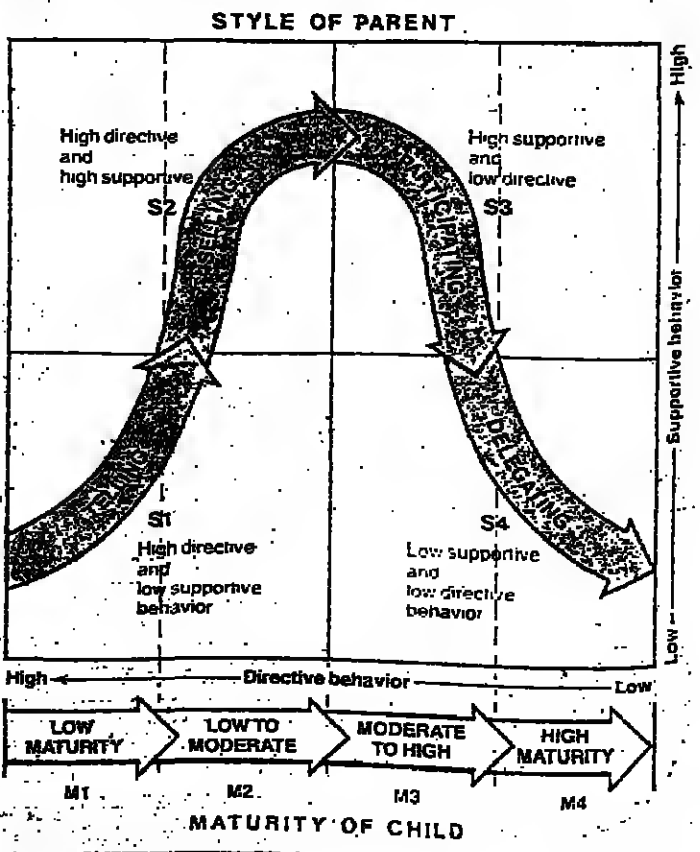
Blanchard thinks the fact that it is written like a book on management is part of the reason for its success with men. "Women say they find it hard

to get their husbands to read anything about kids and get them interested."

Maybe I am old fashioned, and totally unfitted for either the commercial or the family rat race, but I must say I prefer the approach of cozy old Dr. Spock. He may not have had any charts, or diagrams with fancy made-up names, but he did reassure us that whatever alarming symptoms the child was

showing he would get over it and we were not to worry. I suppose that counts as a fifth article of parenting, complicity, which is right off the Hershey-Blanchard chart and out of the Johari window.

Anyway, I must stop here, because my office manager has just come in and asked me out for a drink. Heigh-ho; I suppose that means he wants me to tidy my room.



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LIBERALS AFTER THE PACT

The Liberals will be holding their annual conference at Southport, this week in just about the worst possible circumstances. They are plagued by two problems in particular: what to do about the Thorpe case and how to project the party after breaking off the pact with the Government. The Thorpe case itself is sheer bad luck for the Liberals. They could not help what he may or may not have done. But they can help how they respond, and they are in some danger of making asses of themselves at Southport.

Whatever the strength of the argument that he should not suffer himself for reelection while such grave criminal charges are hanging over him, there is no reason why he should be asked to stand down as an MP before the case has been heard. To require him to do so would be to prejudice the proceedings in court, and so long as he remains an MP he should be expected to discharge the obligations of an MP. This means that he should appear with other members of the parliamentary party to give an account of his stewardship in the question session at Southport. For other MPs to boycott that occasion if he is there would be as inappropriate as it would be for the conference to give him any special mark of public sympathy. A cool, correct, studied neutrality is the best attitude for Liberals to adopt in these delicate circumstances.

But no matter how the Liberals may cope with the embarrassment of Mr Thorpe,

they will still have the task of appearing relevant in the aftermath of the Lib-Lab pact. Their purpose in forming that pact was not simply to spare the country the inconvenience of an unnecessary election. It was not even simply to spare themselves the piffal of a probably disastrous election. It was also a deliberate attempt to break up the existing pattern of British politics to their advantage. They hoped to demonstrate their power as a constructive influence: to bring nearer a split in the Labour Party, and thereby a new grouping of the centre; and possibly to open the way towards proportional representation.

The pact has been ended without achieving any of these objectives. It kept the Government in office at a difficult time, it postponed an election which would not have been in the national interest at that moment, and it enabled the Liberals to exercise a certain amount of negative influence—or rather it drew attention in dramatic fashion to the influence that the arithmetic of a hung Parliament had conferred upon them. But it did not improve their standing with the public, according to the evidence of by-elections and opinion polls. So now that the pact has been ended the party is in some difficulty in presenting an attractive appearance to the public.

The objective can be stated easily enough in general terms. The party needs to appear as a serious grouping of the centre—without enough punch to attract whatever protest votes may be

going and enough sense to be a worthy parliamentary partner for either Labour or the Conservatives if there is another hung Parliament. If it can be taken for granted that the Liberals would give their support to one of the major parties rather than the other, they will look like parliamentary poodles. So their first task must be to establish their independence, especially from Labour in the light of the pact.

They can best do that by voting against the Queen's Speech. They had earlier indicated their intention of doing so, and their conviction that the present Government has served its time can only have been strengthened by the manner in which Mr Callaghan has postponed an election. It is not unreasonable, therefore, in the circumstances, for the Liberals to determine to vote against the Government then without knowing precisely what will be in the Speech. But if they fail to bring the Government down then they should treat all subsequent votes in particular measures and issues entirely on the merits of the case. If they were to oppose for opposition's sake throughout the coming session they would simply seem to be doing Mrs Thatcher's bidding instead of Mr Callaghan's. The best that they can hope from Southport is that they may conduct themselves with sufficient composure there to prepare a base for such a parliamentary campaign, difficult though it will be, in the months ahead.

VILLAGE SCHOOLS REVALUED

In the correspondence, in our columns which has followed the report on the decline of village life by the Conference of Rural Community Councils, one factor has increasingly been identified as crucial to the ultimate survival of the village as a community. It is not the rural bus, post office, shop or pub, important as all these can be in safeguarding a village's identity. It is above all the school which is felt to embody the idea of the village as something alive and enduring. Without it, young families are reluctant to stay or settle, and the vitality and diversity of village life will almost inevitably decline.

Yet the village school has been under threat for most of the century, ever since the advent of the school bus made any alternative possible. The Plowden report of 1967 reinforced official doubts about the quality of education in many small schools. Since then, the urge to economize has maintained the trend. But opposition has grown, and is becoming increasingly organized. Last week a new National Association for the Support of Small Schools held its first meeting in an effort to coordinate local attempts to save schools marked down for closure. There were valid arguments

against the retention of many of the village schools of the past. Teachers running a school single-handed in ill-equipped and often decaying buildings found it difficult to shed enough light on the great world for their charges. A teacher plunged into remoteness, similar to that of the school-teacher in Goldsmith's *The Deserted Village*, might find easy satisfaction in his self-esteem in dazzling the surrounding rustics, but the predicament might not offer much intellectual stimulus for the teacher himself. The work was not popular.

The Plowden report suggested that for the five-to-eleven age range, a school of fifty pupils in three classes was normally the smallest desirable, though it admitted that there should be exceptions. Many smaller schools still survive, though in steadily falling numbers. But as Lady Plowden herself said in her letter last week, the balance of advantage now looks rather different. A small school is less likely today to be ill-equipped and intellectually isolated. There is no longer a shortage of teachers, nor a reluctance among them to work in villages. The ill-effects on small children of long daily bus rides are better appreciated. Most of all, there is a keener

apprehension of the need for close ties between any school and the community it serves, and the importance of the role that a school can play as a focus for community life in itself.

In Leicestershire it has proved possible to take advantage of this by putting community centres in the schools, with the community taking a share in their management. Elsewhere, local people are willing to give financial and other help towards the costs of the school itself. Lord Young of Dartington refers in his letter today to experiments with schools run by local cooperatives. What Lady Plowden describes as "patriotic teachers" are often able to save a number of schools in the same way.

A village school can cost twice as much to run per pupil as a town school. Some education authorities may be inclined to attach too much importance to that difference. Population changes are bound to mean that more schools will become impossible to save. But where the demand for retention is strong, authorities should be more prepared to respond to it than they have been in the past, even at the cost of some extra expense or administratively unconventional arrangements.

ground rules. There are two categories. First, there is the non-controversial explanation of legislation by ministers. Bills have passed through Parliament to Royal Assent and the people have to know what they have on their lives; or it might be an exhortation to posterity for Christmas. That category carries no right of reply by the Opposition.

The Prime Minister's non-controversial on Thursday fell into category two. There is no controversy. The Government claims the right to address the nation, waiting on television, on a subject of serious national or international importance, and the BBC, as a consequence, has to broadcast it. The Government is obliged under the revised side-deal to say "Yes".

After that, the Opposition has the automatic right of reply, and this is a controversial category. It is a programme in which (to bring in the Liberals) all three major political parties have a voice. It may occasionally be a nice judgment what category a ministerial broadcast falls into, although disputes have been few. Controversial decisions are definitively made by the BBC. As an example, a ministerial broadcast on Northern Ireland was treated as category one, because the Opposition did not claim the right of reply. The classic dispute over "abuse" occurred in 1975 between the BBC and Sir Anthony Wedgwood Benn, the Secretary of State for Energy.

Mr Benn, a former BBC employee, asked for a category one ministerial broadcast on the topic of controversial submarine pipeline Act. After seeing the script, the BBC said "No". It should go into category two, and thereby involve both an Opposition reply and a current affairs discussion programme. Mr Benn refused to redraft his script to remove controversial statements, and then withdrew his claim for a ministerial broadcast. It may have been a reasonable loss to the British public, but for some reason Mr Benn wanted a one-party voice and the BBC stuck to its guns.

So much for the ground rules of ministerial broadcasting. Now we relate them to Mr Callaghan's broadcast, which undoubtedly tried the BBC, although it itself was a good example of it. It had a characteristic of a party political broadcast, claimed on false pre-

text, and the farcial character, which of a school's work. It was no better than the lowest form of party politics for its own sake. There is a very grave point to be made here.

It is a historical accident that the BBC, which is always involved for its revenue in politics and yet tries to keep politics at arm's length for fear its integrity might be touched, became the arbiter of how prime ministers and governments by radio, television and newspaper, the two most potent agencies of communication today.

Directors-general like John Reith and William Haley set a strong and independent example to their successors. They established the BBC as a public body, established and endorsed in Parliament. But let nobody delude himself. Any Government, for what they count to be good or bad reasons, will be apt to bully the BBC. As an example, a letter to the BBC in 1974, signed by the Prime Minister, asked the BBC to show itself to be the freest of all broadcasting will be in peril, because of the way British broadcasting has developed.

I am not arguing here that Jim Callaghan is a dangerous revolutionary who will not rest until he bends broadcasting to his, and his own party's purposes. He is a profoundly conservative with a small "c", and the complete democrat within his limitations. After the years with Sir Harold Wilson, I rather admire his discovery that he can do without reporters. But those at Westminster who have reason to laugh off with good grace his deception of the people last week, ought to see that more than a practical joke is involved. We have before us an example of the abuse of the most potent public communications by a Prime Minister and party leader that makes us all the gloomier work of Saatchi and Saatchi pale into insignificance. He turned a ministerial broadcast into a party broadcast.

It looked one typed sentence to the Lobby, one nod from Jim Callaghan to the BBC, and then Jim to the TUC in Brighton to end all election rumours. Instead, the Prime Minister proceeded to use the BBC to broadcast a letter to the TUC and journalists, both of which he did, and he fooled the people. The letter was right, and oratory, and oratory, and oratory.

EEC force for Namibia

From Lord Thomson of Monifieth and Mr Jim Spicer, MP for Dorset West (Conservative)

Sir, It is understandable that even in Rhodesia, and to colour, views on the current situation in the whole of Southern Africa.

However, if the way to a settlement in Rhodesia is still in doubt at present, the situation in South-West Africa (Namibia), is much more hopeful. There, all parties involved are determined that free and fair elections will be held and that a strong United Nations military force should be available to supervise them. Indeed, the Secretary-General has called for a UN force of some 7,500 men for this task.

The member states of the EEC, both terms of the strong and friendly links they already have with other African states through the Lomé Convention, and also because of their industrial, commercial and financial links with Namibia, should, and indeed must, play a prominent part in "holding the ring" within such a UN force.

There are reasons why some member states would be reluctant to contribute to the UN force on an individual basis. Given these reservations, we believe that the interests of Namibia, the United Nations and the European Community would be best served by the EEC, through the Council of Ministers, to place a composite EEC contingent at the disposal of the United Nations for service in Namibia. Such a force would serve the interests of the United Nations and to the people of Namibia. It would demonstrate the existence of the European Community as a guarantor of international peace.

Perhaps Europe, rather than Britain and America, should play a part in a Rhodesian settlement as well.

Yours faithfully,
JIM SPICER
GEORGE THOMSON
11, St. James's Place, SW1
September 7.

Oil to Rhodesia

From Dr Athol Gailfent
Sir, Sir Harold Wilson's disclaimer of oil supplies to Rhodesia calls to mind Winston Churchill's comment on the fragile independence of Singapore: "I did not know it was not true; I should have asked."

Yours faithfully,
ATHOL GAILFENT
Vine Cottage
Sea Lane
Chilworth
Dorset
September 7.

Curing unemployment

From Mr D. G. Franklin
Sir, Mr Eric Heffer ("Unemployment—why blame Labour?" September 6), depicts the unemployment problem as a "negative workers' control" is now recognized as an important factor for the low productivity of British industry. I agree with him and with Mr Radice (September 5) in opposition to the "negative workers' control" which is wrong to blame "the workers" for the unemployment problem. The whole intellectual establishment looks down on industry ("money making"), chooses other fields for its own careers, warns away its pupils and students, and encourages under-education, the qualities necessary for success in it. How many holders of first class honours degrees are working in British industry at this moment, and how many of these work for companies employing less than 100 people, where most workers are employed?

I can't agree with Mr Correll's solution of "cooperatives" or "enterprises" because (a) the present ones don't seem to work very well; (b) they would find it almost impossible to deal with redundancy; (c) all enterprises are bound to have bad times as well as good, and a democratically elected manager who has to renew his mandate from his fellow workers is not vulnerable to replacement when times are bad. The quality of management would suffer, and our last state would be worse than our first. Workers' co-operatives may possibly be a way forward, but this is not the existing ones ought to be proved out before we adopt them as a panacea.

Why does Mr Correll, and for that matter Mr Radice, so underestimate the intelligence of the British workman as to think him less capable of seeing the obvious truth that real wages depend on productivity, than his opposite number in France, Germany, Holland, Belgium, Switzerland, Austria, Scandinavia, America and Japan? Why do we solve this problem within the existing framework of ownership, is without running the risks inherent in co-operatives, but with a real commitment on both sides to cooperation, not confrontation, to raising wages without raising prices? To build up the necessary trust we need complete freedom of information within the enterprises and higher calibre of management, but

Archive weathers

From Mr Arnold Wexler
Sir, Historians may well feel the survival of the "Weeders" among government papers will leave a crop of everlasting enigmas; but the destruction of court records may affect the legal rights of citizens.

I recently received a letter from a court officer of whom I had requested copies of certain current orders and notes relevant to pending proceedings before the same court. It ran: "I regret that my file containing notes of evidence and other documents from 1963 until 16th July, 1974, has been sent to confidential waste and destroyed."

Should we not opt for more conservation and less indiscriminate use of herbicide?

Yours faithfully,
ARNOLD WEXLER
26A Chiswick Valley Road,
Uxbridge,
September 6.

The Whitehall reshuffle

From Mr Francis Heald
Sir, In good time for yet another reorganization of Government Departments, may I suggest that the opportunity be taken to revert to the traditional title of "Ministry" in place of the now-fangled "Department".

The present use of "Department" seems to date largely from the last major reorganization in which numbers of separate ministries were combined under a relatively small number of Secretaries of State as "overlords". Its use was probably justified at that time as a temporary expedient in order to distinguish the new bodies from their more numerous predecessors, who also were the possessors of long and unwieldy names like the "Department of Health and Social Security". Perhaps it would be too much to ask also, for these to be condensed into something less cumbersome, although personally I would feel just

Importance of village schools

From Lord Young of Dartington

Sir, I would like, as a member of her Committee of Primary Schools, to support Lady Plowden's statement (September 7) about the vital importance of village schools. It is surely difficult not to agree when the disadvantages of large schools, and the advantages of small, are so much more obvious than when the Plowden Report was published. The most active area of the village is keeping a village community alive is also clearer than it was, as several recent reports have shown.

In one respect I would like to go further than Lady Plowden. Accept that the main effort must go into trying to get the DES and county councils back on scraping more legions of village schools to change their minds. But what if particular complete closure there is no reason why a "parent-teacher cooperative" should not be formed to keep the school open through a charitable trust which does not charge fees. Parents can keep costs down by doing much of the work themselves and raise money to pay teachers who would otherwise be unemployed. Their Centre has given its full support to the cooperative at Madingley in Cambridgeshire which is trying to do just that. Madingley is a test case, and if it works, will show that rural aid can still save the situation which the authorities are blind or stupid they see their eyes to the damage they are doing.

Sincerely,
YOUNG OF DARTINGTON,
Chairman,
Mural Aid Centre Limited,
18 Victoria Park Square, E2,
September 2.

From Mr F. R. Salmon
Sir, What are these changes and developments, affecting village schools, which Lady Plowden (September 7) claims have taken place since her committee reported?

"Cst is not everything," she says. "There is a growing (sic) awareness of the importance of the village school, and the need to make it up." "It is right to make the heart out of a community by taking away the children?"

Are we really to believe that these concepts were unfamiliar to the members of her committee? They are the very arguments which have been used over and over again, and often unsuccessfully, by countless bureaucrats fighting the educationalists for the continued existence of their schools.

I congratulate Lady Plowden on her change of heart, however belated, and I earnestly hope that the restoration of such a village school, which will help to save the life of our village school here in Eardisland, which is under threat of closure at this very time.

Yours faithfully,
F. R. SALMON,
Old Arrow,
Eardisland,
Leamington,
Leamington Spa,
September 8.

Unions and productivity

From Mr J. H. Arrowsmith-Brown
Sir, Following Mr Correll's letter (September 5), I am writing to say that "negative workers' control" is now recognized as an important factor for the low productivity of British industry. I agree with him and with Mr Radice (September 5) in opposition to the "negative workers' control" which is wrong to blame "the workers" for the unemployment problem. The whole intellectual establishment looks down on industry ("money making"), chooses other fields for its own careers, warns away its pupils and students, and encourages under-education, the qualities necessary for success in it. How many holders of first class honours degrees are working in British industry at this moment, and how many of these work for companies employing less than 100 people, where most workers are employed?

I can't agree with Mr Correll's solution of "cooperatives" or "enterprises" because (a) the present ones don't seem to work very well; (b) they would find it almost impossible to deal with redundancy; (c) all enterprises are bound to have bad times as well as good, and a democratically elected manager who has to renew his mandate from his fellow workers is not vulnerable to replacement when times are bad. The quality of management would suffer, and our last state would be worse than our first. Workers' co-operatives may possibly be a way forward, but this is not the existing ones ought to be proved out before we adopt them as a panacea.

Why does Mr Correll, and for that matter Mr Radice, so underestimate the intelligence of the British workman as to think him less capable of seeing the obvious truth that real wages depend on productivity, than his opposite number in France, Germany, Holland, Belgium, Switzerland, Austria, Scandinavia, America and Japan? Why do we solve this problem within the existing framework of ownership, is without running the risks inherent in co-operatives, but with a real commitment on both sides to cooperation, not confrontation, to raising wages without raising prices? To build up the necessary trust we need complete freedom of information within the enterprises and higher calibre of management, but

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desire for only slow growth or no growth at all in the villages we surveyed.

On the other hand our survey revealed a remarkable level of self help to villages, to an extent which would shame many urban communities. The range of achievements is remarkable, including swimming pools, community centres and sports areas—all by volunteers. Often the most active area of the village is keeping a village community alive is also clearer than it was, as several recent reports have shown.

In one respect I would like to go further than Lady Plowden. Accept that the main effort must go into trying to get the DES and county councils back on scraping more legions of village schools to change their minds. But what if particular complete closure there is no reason why a "parent-teacher cooperative" should not be formed to keep the school open through a charitable trust which does not charge fees. Parents can keep costs down by doing much of the work themselves and raise money to pay teachers who would otherwise be unemployed. Their Centre has given its full support to the cooperative at Madingley in Cambridgeshire which is trying to do just that. Madingley is a test case, and if it works, will show that rural aid can still save the situation which the authorities are blind or stupid they see their eyes to the damage they are doing.

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Yours faithfully,
F. R. SALMON,
Old Arrow,
Eardisland,
Leamington,
Leamington Spa,
September 8.

The eating of locusts

From Mr J. Enoch Powell, MP for Down South (Ulster Unionist)
Sir, Mr Peter Hennessy's "Old Testament Prophets" eating locusts (August 22) and the subsequent correspondence have established that Old Testament prophets might eat locusts, but that insects in the existing Old Testament there is no reference to any of them doing so; but there must surely have been such a reference elsewhere. Matthew 23:2 describes the Baptist's dress and diet. His dress depicted him as a hairy man and a hairy man, 2 Kings 1:8 so as to fulfil Malachi 4:5 ("I will send Elijah the prophet before the coming of the great and dreadful day of the Lord"). John's diet also must therefore have covered a similar allusion, no less than his dress.

I am, Sir, your obedient servant,
J. ENOCH POWELL,
House of Commons,
September 8.

Hobbs and his ghost

From Mr Alan Ross
Sir, I am writing to reference to Jack Hobbs and his ghost (September 7) reminds me what a pleasure it was to sit next to him in the press box at Test matches. During play Jack kept up a running commentary on the technical deficiencies of various batsmen which his ghost would doubtfully transcend. But Jack was a kind man and when the typesetter was given back to him to check he used to screw it up and say to his editor "Oh, how I wish that I had well and looks very promising." I once invited the novelist Henry Green into the press box at Headingley and he was much taken at the idea of being "at next to Hobbs's ghost".

Yours faithfully,
ALAN ROSS,
30 Thurloe Place, SW7.

From Mrs Kitty Ingham
Sir, As always, John Arlott is right. Jack Ingham (my husband) died in 1969. He ghosted for Jack Hobbs in Australia and later in India. He must certainly not write *The Test Match Special*.

Yours faithfully,
KITTY INGHAM,
1 Denmark Road,
Wimbledon Common, SW19.

Controlling rabbits

From Dr R. A. F. Burn
Sir, Rabbit controllers may not know that deer from rabbits is imported into this country from China and sold in supermarkets. I have tried it. It is tasteless and much inferior to the domestic product.

Our own rabbits convert our farmers' grain into good quality protein, but will we eat them? No, we would rather destroy them by disease or gas, and leave them to rot.

This is illogical but it happens because our emotions are involved: rabbits come, unasked and live wherever they can, not tidily on nature reserves; they are adaptable and successful creatures in no need of protection, so we must wipe them out. Rabbits from China come skinned, jointed and frozen, and so are less worrying.

Economy suggests that we should eat rabbits for food, but who cares for economy when our supremacy is threatened?

Yours truly,
R. A. F. BURN,
4 Limes Kiln Quay,
Woodbridge,
Suffolk.

MANAGEMENT

British managers can at least claim to have had a decent hearing over the last two years. Certainly, delegations from the British Institute of Management to the French Government, including the Chancellor of the Exchequer and the Prime Minister and their submissions on major policy issues, including industrial democracy and export changes, have been received by a wide variety of cabinet ministers including the Chancellor of the Exchequer and the Prime Minister and their submissions on major policy issues, including industrial democracy and export changes, have been received by a wide variety of cabinet ministers including the Chancellor of the Exchequer and the Prime Minister.

Managers can still earn less in the manual workers' under the control, but Sir Derek, who relinquishes the chairmanship of BIM in October, believes that, having reached the lowest ebb in 1966, a sense of managers has been the upturn and that this has led to do with improved communication and consultation. He questions now before the BIM's leaders in the best build on the initiative they have taken.

One of the institute's prime aims for the next phase, which is stressed in a manifesto addressed to all political parties, is for managers to gain representation on the National Economic Development Council or whatever central economic body might replace it. Another aim is to contribute to the restoration of a sound economic prosperity by setting the most efficient use of resources.

Behind these broad directives, which will be described in more detail in the BIM's annual report due out tomorrow, lies an extensive and detailed campaign behind the scenes. On representation—a role which the BIM could only assume once it had shed its variable status in 1966—it is considering extending its members' representation on a European-wide basis. According to Sir Derek, in an interview with *The Times*, the British Institute has attracted a good deal of interest among managerial representative bodies in Europe. The result is progress towards seeing if a similar document can be produced for submission to the European Community next June.

A growing force in the life of the nation



Sir Derek Ezra's chairmanship of the British Institute of Management ends next month

The institute is discussing types of central economic forum, which might provide a possible extension to, or substitute for, the National Economic Development Council and how relations between it and the House of Commons can be constructed. The BIM is also considering its representations on longer term pay determination. It would like to see an annual debate on the economic context for pay bargaining, but it also wants independent procedures to be established to deal with relativity and differential payments.

In parallel with its drive to be heard on a central economic forum, officials of the institute are working behind the scenes to widen its coverage beyond the membership list of over

57,000. It is doing this both by linking with other organizations on an ad hoc basis for particular issues and by seeking direct affiliation with other bodies.

Negotiations, for instance, are at an advanced stage for affiliation with the Institution of Works Managers which, if concluded, would provide dual membership. Arrangements for closer working have similarly been made between BIM and the Farm Management Association, and other organizations are understood to be contemplating similar moves.

These ad hoc links can into operation when the institute's representations put to the Chancellor before last spring's budget were backed by the Central Council of Professional

Management Organizations. This has meant the number of managers represented on this occasion to more than 250,000. Sir Derek sees this and similar shared platforms as pointing the way to future development for the Institute.

Apart from the professions, he sees further expansion into the public sector to include, for example, courses and policemen, as well as into the private sector. In this way the Institute could build up an affiliation with several million managers and come close to rivaling some of the larger trade unions in size.

Sir Derek is adamant, however, that the institute should in no way usurp the function of a trade union—approximately a third of BIM members in any case are also union members. "At no time," he says, "would the institute ever become involved in wage bargaining."

For the same reason the BIM's function is, he says, quite different from that of the Confederation of British Industry.

At the same time as maintaining its own representative role, Sir Derek would not like to see the BIM relinquishing its original educational and, in fact, its original role. The focus on this aspect of the institute's work this year has been in the "SPUR Initiative" launched in September, 1977.

Standing for Strategy, Performance and Utilization of Resources, the aim of this campaign is "to bring to the attention of managers and management examples of 'best practice' in key areas from British organizations." This is in order to show, by example, ways in which others "can learn and adapt to improve their personal performance and that of their organizations."

Sir Derek would personally like to see this work carried further towards active encouragement of exports—a key area for future national growth. "Managers should be encouraged to be much more positive in the approach to the EEC," he says, "and he will be delighted to be making a BIM seminar on 'Trading in the 1980s' later this week."

Patricia Tisdall

Audio-visual approaches to education and training

We need, as we are regularly reminded, a better informed workforce and more communication between management and men. The message is being received and absorbed by at least some managements, and the audio-visual industry is one of the beneficiaries, working for education on the one hand and training on the other.

Legislation is a spur. The Health and Safety Executive, which has the job of enforcement, have made film a central part of their operation. Their work is supplemented by many other film makers concerned with safety.

Safety and the Supervisor, for example, from Management Training Limited, is a video cassette history of what can go wrong if the supervisor, harassed by demands for output, neglects his safety responsibilities. (And levels of management above him have their responsibilities, too.)

The pension legislation, effective from April this year, made relevant communication with the workforce compulsory, and such firms as Pensions Communications Limited provide both general purpose and tailor-made video packages to enlighten their clients' troops and sometimes, one may imagine, the clients themselves.

Other areas are being explored by AV-oriented consultants. Pensions and retirement are linked topics, and the enlightened employer nowadays is concerned with pre-retirement advice.

Pre-retirement Planning is a slide/tape programme produced by Martin Peterson Associates, another firm in the pension guidance field. It con-



It's never too early to plan for retirement: Eddie Barker, one of the main characters in the Post Office film 'A Time to Look Forward'

Paperwork revolution at David Brown

David Brown, the tractor manufacturer, has introduced a revolution in the way it does its paperwork. The company has introduced a new system of accounting and office controls, the modern means of raising and maintaining staff morale and the induction of new staff.

"That means not only the induction of new recruits to the office, but new jobs for existing staff members," Mr. Tony Roberts points out. "We find that unbelievably few offices provide special training for those people they promote to new positions of authority. That must be why companies are so often disappointed when a promising member of the staff fails to live up to his promise when he steps up the ladder. He is given new tasks and precious little time or preparation to carry them out effectively."

Before the David Brown Tractors men left Lidiard Park at the end of the course on Friday evening, they had to describe in detail what steps they were going to take at the office the following Monday morning. It was the job of the supervisors to absorb the office management techniques and bring them to bear on the whole department.

Mr. Alex Roberts, of David Brown Tractors, comments that the pressures of inflation, fluctuating interest rates, lengthening credit periods and currency movements are all combining to make the efficiency of a financial accounting department more and more critical to a company's profitability and competitiveness. "With better monitoring and control systems," he says, "not only do we save in the cost of running the actual department, but we can make a much bigger contribution to the efficiency of the company as a whole."

Sydney Paulden

Efficiency of direct labour organizations

From Mr. Norman C. Barrs

Sir, I have read with much interest the letter from Mr. Ted Knight published on September 4, 1978, in which he extols the virtues of Lambeth's Direct Labour Organisation (DLO). Official statistics clearly indicate that a capable private building contractor is twice as efficient as the best of the direct labour organizations.

It is the responsibility of the contractor, as the result of the submission of an unrealistic low tender, Local authorities, such as Lambeth, evaluate every job by cost-estimates before deciding if it is viable under military terms, and only then do they go to tender. If the tender figure is below the yardstick then the tender is accepted, even though the contractor may have made a mistake. Local authorities are not forced to accept the lowest

tender, and can always negotiate around the correct figure. Another reason for the many failures of private contractors carrying out work for local authorities such as Lambeth is the appalling record of inefficiency in the local authority accounting departments, with delays in interim certificates and final accounts which seriously upset the cash flow arrangements so vital to the building industry.

The private sector of the building industry contributes many millions of pounds to the Construction Industry Training Board, while local authorities contribute nothing.

I wonder how efficient DLO would appear after examination by an independent qualified accountant and quantity surveyor experienced in building trade procedures.

Yours faithfully,
NORMAN C. BARRS,
Director,
W & J Barrs Limited,
65 Terrence Avenue,
London, NWS 2SG.

1932, when a dissenting judge in the House of Lords said of the majority view, "It is difficult to see how, if that were law, trade could be carried on."

It is depressing to reflect on the lack of confidence shown by manufacturers in their own products. It is related to the Japanese view (letter from Andrew Watt in *The Times*, August 22) "that British products are of poorer performance than their competitors".

Yours faithfully,
AUBREY L. DIAMOND,
Director,
Institute of Advanced Legal Studies,
Charles Clore House,
17 Russell Square,
London WC1 5DR,
September 7.

First there is the anomaly that under the Sale of Goods Act only the actual buyer, if he or she is injured, can sue. Members of the family of the buyer—even if injured in the same accident—cannot sue.

Then there is the procedural difficulty that the action of the injured buyer must be against his immediate seller, even though the retailer was in no way to blame for the defect. The retailer, now in his capacity as a buyer, can then sue his seller, and the liability moves down the line until it ends in its rightful place against the manufacturer.

In the light of the evidence and, perhaps, the defect, the Law Commission's recommendations were clearly indefensible, and widely so regarded. The Pearson Commission took the same view. The adoption of these weighty recommendations might well result in a significant saving of legal costs. It is difficult to see that they could have the catastrophic effects envisaged by industry.

One is reminded of the imposition of direct liability for negligence on manufacturers in

Letters to the Editor

From Mr. P. E. L. Fellowes

Sir, While endorsing Professor Sliger's good opinion (August 30) of the article by Melvyn Westlake on overseas aid (August 17), I feel I should add a further correction to his: It is not only France that appears to be ignored in the article as a principal giver of aid, but Saudi Arabia, which in fact now comes second behind the United States in the major donors' league.

In a recently published report by the chairman of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), entitled *Development Cooperation—1977 Review* and based on the year 1976—the latest for which complete figures are available—Saudi Arabia is shown as having made net disbursements of official development assistance of \$2,316m, representing 5.77 per cent of its gross national product, against the United States contribution of \$4,334m, which was 0.25 per cent of its much larger GNP. France does indeed come next with \$2,145m (0.62 per cent) to follow.

by the United Arab Emirates with \$1,022m, estimated by the OECD secretariat to amount to over 10 per cent of its GNP.

The emergence of the Organisation of Petroleum Exporting Countries (Opec), and especially its Arab and Iranian members, as a prominent donor of aid to the Third and Fourth worlds, of course, needs a mention of the past four years, but it was recognized as early as March, 1976, when an OECD working paper referred to them as "an important group of donor countries" of which a number "rank high on the list of major sources of aid and development finance."

Indeed, in 1976, as well as those Opec members already mentioned, Iran was ninth and Kuwait twelfth among the top dozen donors, the United Kingdom being placed eighth in the same company. Opec aid as a whole made up 27 per cent of all net disbursements of official development assistance according to the criteria and definitions applied by OECD, compared with 70 per cent from the DAC countries—the First, Industrialized, world—and just 3 per cent from the Second, Communist, world, the so-called centrally-planned economies.

These figures, which are of course, in the nature of estimates, show that the need to do more; but one must marvel at the seeming indifference of the Communist countries to the poverty, as distinct from the politics, of even more at the efforts to avoid all criticism on that account.

Pours faithfully,
PEREGRINE FELLOWES,
Chiddingfold,
Chiddingfold,
Lewes,
Sussex.

From Miss Tamara Finkelstein

Sir, A few months ago the Post Office abolished Post Office Savings Stamps for children and I think I have stopped children from putting money into Post Office accounts. It was a very good idea to be able to buy one or two stamps every week with weekly pocket money and after a month or so put the money into the account. Now I am sure children are putting less money into their accounts so everyone is losing in the long run. I think the Post Office should use that method again.

Yours faithfully,
TAMARA FINKELSTEIN
(aged 11),
9 Cheyne Walk,
London, NW4.

The so-called "nursery factories" providing space for operations needing only a few staff are already proving their worth. The idea is being developed to solve the problems posed by closures of some medium-sized factories.

This is especially true of the clothing trade where the North East has been hard-hit by competition from cheap imports. One clothing firm, Alexander, closed with the loss of 350 jobs, in 1976.

It became increasingly clear that the amount of factory space of around 25,000 square feet was minimal. Businessmen preferred to wait for an upturn in the economy, rather than invest on that sort of scale.

The flexibility of the single-storey, purpose-built factory envisaged by the planners has again proved its worth. It is now planned to divide the empty clothing plant into several smaller units for which there is a proven demand.

To an area where unemployment is running at over 3 per cent higher than the national average, the provision of jobs to replace losses and the utilization of empty plant is vital. Engineering is still the dominant factor at Team Valley, with just under 30 per cent of jobs in that sector.

Clothing and electrical industries make up the two other major employers.

The corporation is continuing the policy of construction of advance factories to attract new employers, and these facilities, backed by development loans, continue to attract new employment to the region.

Peter Fairley

Team Valley proves its worth

The concept of a government-planned industrial estate, with a ready-made infrastructure designed to win jobs to depressed areas of unemployment, was born in the depths of the economic gloom of the mid-thirties.

Seven hundred acres of swamp-land was to become an attractive township designed eventually to supply some 15,000 new jobs in an area where unemployment stood at around 40 per cent.

The idea was greeted with scorn and misgivings by many Whitehall planners, but today the flexibility of the project has more than proved its worth.

Team Valley Trading Estate, which straddles a tributary of the Tyne at Gateshead, has more than 100 factories in operation and provides jobs for 11,700 men and 6,200 women.

It is also the headquarters of the English Industrial Estates Corporation.

Of the total six million square feet of factory space, nearly 60 per cent is rented by companies and the rest is on long-term lease.

The corporation was formed 38 years ago by an amalgamation of North Eastern Trading Estates Limited, with two other government industrial estates companies.

The corporation now has 160 estates throughout Britain, mainly in the North of England.

In many areas industrial estates are a key to industrial development. Nowhere is this more clearly seen than at Team Valley itself. Situated close to both the main Newcastle to London railway and the A1/M1 motorway, the early planners

saw the flood and subsidence-prone site on the western outskirts of Gateshead as ideal.

An idea of the foresight of the original consultant architect, Professor William Holford, can be gauged by the fact that his scheme has never been tampered with.

Its very flexibility has allowed development to cope with vastly changing needs.

The estate was planned on a grid system, with a main dual carriageway spine road running either side of the canalized River Team.

Two major transport developments have led to the only modifications in outlook. The vast increase in car-ownership by the workforce has led to perfect emphasis on parking facilities at new factories, and the railway network, connecting the estate to the nearby main line has been abandoned.

The estate is still growing—it has 480 companies—and has a special land capacity of 100 acres with the potential to provide a further 8,000 jobs.

One of the largest engineering factories, Ingersoll Rand, announced a potential £1 million expansion plan designed to cope with the expected upturn in business with the taking off of the world recession.

A great emphasis is now being placed on providing facilities for very small-scale operations.

Mr. R. Maybourn has been appointed a director of BP Tanker Company.

Mr. George O'Brien has been appointed a director of Ingersoll Rand.

Mr. G. A. Dingley joins the board of Rank Audio Visual.

Mr. Basil Feldman, managing director of Dunbee-Comber-Max, has been made chairman of the Economic Development Committee for the Clothing Industry.

Mr. Leslie Page, a director, is to become managing director (London) of G. Briggs and Co. Ltd. Michael Burtonshaw is to be managing director (Folkestone), becoming a director.

Mr. Geoffrey Edwards has been appointed chairman of the Thames Water Authority.

Mr. Mark Ropley has been made president of the British Electrical Systems Association. He is sales director of Conduit Fittings.

Mr. R. W. C. Toye has been made a director of BP Tanker Company.

Mr. J. K. Warren and Mr. C. J. Hardey join the board of Charles Fulton (Foreign Exchange).

Mr. R. J. W. Bulman has been appointed to the board of Peter R. R. Kiteless joins the board of Peter Refrigeration as finance director.

Business Appointments

New chairman named for NFC

Mr. R. L. E. Lawrence is to become the next chairman of the National Freight Corporation when Sir Daniel Pett retires at the end of the year.

As the result of the recent appointment of Mr. Bhaskar Menon as chairman of the EMI Group's music operations, a new organizational structure is to take effect from October 1, establishing the board of EMI Music Worldwide Management, headed by Mr. Menon as chairman and chief executive, with Mr. K. East, Mr. L. F. Hill, Mr. A. Todman and Mr. D. Zimmermann.

Mr. East and Mr. Todman will become joint managing directors of EMI music operations. Mr. Todman is appointed finance director. Mr. P. A. D. Duffell becomes group overseas director.

Mr. L. J. Jones becomes a director of Robert Fleming Investment Trust.

Eynon Smart

Paperwork revolution at David Brown

more interesting activities that increased their personal involvement in the work and also saved the company expense.

"We do a great deal of the preparation of our accounts for auditing and more of the tax preparation work. We have been able to create positions of greater responsibility within the department, so that there is a more clearly defined career structure for the staff."

"An accountant of clerk can get more experience with us now to the benefit of his own career."

"This approach has also made it possible," Mr. Roberts said, "to extend the services and support we provide for the company management. We have started a treasury management section and are gearing up to cope effectively with invoicing in currencies other than sterling to back up the marketing people where different currencies might be an attraction to customers in different countries."

To launch the new scheme of training, six supervisors were given the opportunity to attend a week's course in effective office management at Lidiard Park Management Centre at Swindon, organized by W. D. Scott and Company. The instructor on the course was Mr. Tony Roberts, who explains that, in a nutshell, "the basic aim was to devise objectives for each supervisor and to work out how to implement them when they returned to Meltham."

"In fact, we literally, at a point during the week in Lidiard Park actually ask them to imagine that a Fairy Godmother can give them three wishes related to their work in the office and from their wishes we construct a plan of action for improvement."

Before the Fairy Godmother was allowed to enter the scene, W. D. Scott took the supervisors through a programme of straight-forward specialized instruction, showing the texts that the supervisors or fabric buyers in the trade should apply, or have the laboratories apply, to be sure that his eventual customers have no cause for complaint.

There is rather more general interest in Dunlop's *The Time to Stop Again*, made mainly for pilot training but with an element of publicity for Dunlop Aviation. This is a study of the economics of aircraft braking and examines such matters as the type wear of overbraking turning on the runways and too heavy retraction of the order-carriage—fascinating, if somewhat alarming, viewing for the ordinary passenger.

Confronted with the title *The Art of Two-way Communication*, the regular viewer of training films might murmur "out again!" He will find comfort in the viewing, for the video material, which includes Penelope Keith as his sales target, crisply condemning the varieties of mistaken technique thrown at her.

It is a matter of conciliatory debate that the training, whether (a) humour and (b) well-known actors help or hinder the training message.

Irresistible Miss Keith silences all such questioning. *Safety and the Supervisor*, £27.50, hire: two days £38, week £56.40; *Pre-Retirement Planning*, £120, inspection £12; *A Time to Look Forward*, £230, hire: two days £30; *Selecting Upholstery Fabrics*, £200, hire: two days £20; *The Time to Stop Again*, £250; *The Art of Two-way Communication*, £342, hire: three days £46, 10 days £68.

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technical expertise and an ability to compromise. MBB is a company where relations between supervisory board and management have not always been easy and is facing difficult negotiations in connection with the plan to merge with VEW-Fokker, the Dutch-West German group.

The Leeds office of the Export Credits Guarantee Department announced last week that it had insured £1,227m worth of goods from the region last year. Among the more unusual shipments were Tyndale-built kayaks for Eskimos.

Ross Davies

Issue of £6,328,000 8½ per cent Debenture Stock 1981/86.

The Council of The Stock Exchange has admitted to the Official List the above Debenture Stock.

The Debenture Stock has been issued in exchange for the cancellation of £5,328,000 8 per cent Debenture Stock 1981/86 of Alan Booth Industries Limited, a wholly-owned subsidiary of

Morgan Grenfell & Co. Limited,
New Issue Department,
4 Throgmorton Ave, London EC2P 2AX

Hoare Govett Limited,
Atlas House, 1 King Street,
London EC2V 8DU

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange. It is not an invitation to subscribe for or purchase any Debenture Stock.

Alan Aluminium (UK) Limited.

Particulars relating to the Debenture Stock are available in the statistical services of Fintel Statistical Services Limited and copies of such particulars may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 23th September, 1978 from:-

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN

Kilcat & Affken,
9 Bishoppsgate,
London EC2N 3AD

FINANCIAL NEWS AND MARKET REPORTS

London's support a key factor in the boom in Australian shares

If Australia's treasurer, Mr Howard, is remembered for nothing else, he will have the distinction of launching a rare post-budget stock market boom, especially in mining shares.

Before the Budget the Sydney all-ordinaries index stood at less than 520. Within two days it had climbed to 530 and by last week reached a five-year high of 554, largely fuelled by a hectic demand for a wide range of resource stocks.

Mr Howard's four predecessors—Labour and Conservative—had presided over Budgets which created slumps ranging from modest to alarming.

He cannot, of course, be given all the credit for the rise in mining and oil stocks since his August 15 Budget. However, it did underpin an already growing appetite for speculative mining shares, especially in oil, uranium and diamonds.

These three commodities are, it should be noted, almost recession-proof. Their fortunes bear little relationship to current economic conditions. Indeed, it could be said that the demand for diamonds thrives on disquiet.

Mr Howard's Budget, by setting fairly austere targets for Australia in the next 12 months, reassured overseas investors that it would produce a favourable climate for an inflow of capital.

To recent weeks, as if by previous arrangement, the market has provided some of the good news necessary to further encourage the investor. BSE and EAS have found encouraging indications of

Mining

more oil in their Bass Strait fields, and a promising onshore strike was made in Queensland by a group led by Bridge Oil.

Uranium stocks rose too, with the expectation that work on the Ranger project in the northern territory would begin soon.

The Ashton Diamond venture, led by CRA, also provided some excitement, as it completed the first month of a testing programme on a number of Kimberley pipes in the Kimberley region of Western Australia.

London support has been a major factor in the Australian boom. CRA, for example, jumped the equivalent of 17 Australian cents in London trading, to \$A3.25, within a few hours of the Budget announcement.

London also gave immediate solid support to the iron ore producer Hambleton, in spite of gloomy short-term prospects in that industry—MIM Holdings and Consolidated Gold Fields of Australia.

Nor have British investors lost their taste for the speculative flyer. About half the current buying support for Northern Mining, a minor participant in the Ashton venture, is coming from London.

The Australian market was stimulated by reports that A.O. Australia was planning a significant offering in a public flotation, perhaps as much as 40 per cent. A.O. is owned 71.4

per cent by the Malaysian Government, the balance by Charter Consolidated and it has a 27 per cent interest in the Ashton venture.

The imminent float was thought to be the cause of an unscheduled report last week from CRA about the testing programme. Rumours that the report was about to be released sent diamond shares up. CRA reached \$A3.90 at one stage the day before the report was released. One broker estimated that just the impact of diamond speculation may have added \$A1.20 to the company's share price, giving a massive capitalization to the unproved Ashton venture. There was a sense of anticlimax when the report was released, confirming the old market adage that investors always expect too much too soon.

No indication was given of quality. Brokers quickly calculated that this represented only three carats per hundred tonnes of material treated in the tests, compared with the average commercial recovery from South African mines of about 23 carats per cent.

However, as the CRA reports have repeatedly stressed, the programme is at a very early stage. An analysis of the results shows that tests have been carried out of only about 4 per cent of the prospective Kimberley pipes yet identified, and these have been of notoriously capricious surface material.

Not did the latest report describe whether most of the diamonds were in just a few of the pipes tested.

Allowing for the inevitable anti-climax, the market's beha-

viour has shown that it is still lacking the uncritical support of the nickel boom.

It revealed some nervousness over uranium, after it became obvious late last week that the Federal Government's lengthy dispute with Aboriginal groups over land rights was not necessarily settled.

This also reflects the caution of the professional investor, for, after allowing for some of the flightiness of some recent purchases, especially in the wide choice of "penny dreadfuls", which have appeared in the oil, uranium and diamond sectors, it is still apparent that the current market boom has not attracted the enthusiastic, often gullible amateurs who made and lost pocket money fortunes in the late 1960s.

Institutional buyers are major participants. The prospect that Australia's inflation rate could soon be as low as five per cent, that in the medium term there will be a heavy balance of payments position "aided by uranium", has been a strong inducement in a world awash with liquidity.

In this atmosphere the small Australian explorers have attracted surprising support. They are being bought, speculatively, by the professional investor, with the expectation that even if they do not find anything of value, there will be a ready market among the amateurs still to enter the market.

John McIlwraith

Break even looked for at Massey-Ferguson

Massey-Ferguson, the Canadian-based maker of agricultural implements and agricultural equipment, expects to reach a break even position in operating results in the fourth quarter of 1978, before extraordinary items, Mr Albert Thornborough, deputy chairman said.

The outlook for sales in the fourth quarter is relatively flat, but the group expects that the seasonal programme now in progress are beginning to take effect.

Massey-Ferguson recorded a net loss of \$145.5m for the first nine months of the current year, compared with a profit of the corresponding period of \$13m. Mr Thornborough said farm machinery sales are expected to be flat in the last quarter while

in North America sales should be relatively strong. At the same time, the directors have approved a proposal to rationalize the group's construction, machinery manufacturing operations in Europe.

The sale of this machinery has now been discontinued to North America and several other markets.

Optimistic outlook at Medens Trust

The higher volume of new business has enabled Medens Trust to absorb the inevitable increase in overhead expenditure, and although money costs will be higher, the board is optimistic of some further increase in profitability in the

current year, said Mr J. Collins, chairman, in his annual statement.

The board has successfully negotiated lines of medium term credit with institutional lenders. These include a two year facility of £4m from a syndicate of institutional shareholders and other City houses and three year facilities totalling £1m from individual organizations.

Greenfield Millets expansion plans

Greenfield Millets, the leisurewear and camping group, is to increase its retail sales

area by more than 20 per cent during the next 12 months.

The group, which has 51 branches trading in Southern England and the Midlands, has now decided to cross the border into Scotland. Its first branch will open in the Westgate Centre, Dundee, in the Autumn.

A further 10 stores are expected to be opened in Scotland within the next 18 months. Apart from Dundee, a further five new branches are to be opened by early 1979, making a total of 57. In addition, the sales area of six existing shops are being doubled in size.

According to Mr David and John Greenfield, joint managing directors, the group expects to have 60 branches by the end of 1979.

What Chrysler-Peugeot means to UK component groups

While the unions wrangle over the implications of the proposed merger between Chrysler's European operations and Peugeot, observers are assessing the effects of the link-up on the United Kingdom component manufacturers.

Mr Jeremy Smith and Mr Christopher Chew of brokers, James Capel, believe Lucas will be the only British component group to benefit, as it is a supplier to Peugeot and Chrysler through the United Kingdom operations of its subsidiary, Ducetier.

"Peugeot are unique amongst European vehicle manufacturers in that almost 80 per cent of their component requirements are manufactured in-house. It is almost certain that future company production runs will be expanded so that Chrysler's demands can also be met from the Peugeot factories", they explain.

Lucas may also benefit in the diesel-car field as Peugeot already has two models in its car range, whereas Chrysler had no plans to introduce a diesel option.

But the implications of the Peugeot-Chrysler deal are not the only factors to unsettle the motor component sector, say the analysts. Others include the threat of further disruption to BLS production and a Price Commission inquiry into spares, due to report in March 1979. On the other hand, Rolls Royce Motors is expected to show a 70 per cent profit increase and produce final results approaching £16m. Interim results will show "a substantial improvement over the first half last year", a point reflected by several adverse factors, including strikes and engineering problems.

"The current year will also present the opportunity for an above-average rise in the dividend and we have anticipated a 15 per cent improvement in our calculation of the prospective yield." Diesel engines should also make a contribution to increased profits with a rise in production at Rolls Royce, they predict.

The next stage of the High Street price-cutting war—the launching of the major multiples' autumn promotions—suggests that investors should wait to see how the pattern of trading develops in the food retailing sector in the next six weeks, recommend Mr Gerald Horner and Mr David Chapman of Scrimgeour.

Tesco's significantly increased market share made during the last financial year should be

Brokers' views

reflected in improved profitability.

"We are estimating £36m at pre-tax level, an improvement of 25 per cent in making this forecast, we have decided that international's decision to drop trading stamps will not provoke a major escalation in the price war." But the autumn's promotions may, however, give the impression that competitive pressures have hardened, although Tesco's should be able to resist these pressures and improve in-store productivity, they say.

Their main concern about Tesco's long-term prospects revolve around the depth of Tesco's commitment to trading up in order to improve quality, and hence the price-value relationship in fresh produce and non-foods." But recent evidence is encouraging.

A new group of companies in the basic food sector deserve more attention than they have in the past, suggest analysts, Mr James Fergusson and Mr John Elston of James Capel.

"Taking the three safest yield stocks, Unigate already appears to be showing dramatic benefits from new management. RHM has suddenly found favour as United Kingdom baking overcapacity is resolved and hints from Cadbury Schweppes suggests that a major revitalisation is under way which could lead to sharply higher profits in the next three to four years."

They say that these stocks may now be more attractive on a long-term view in contrast with Rowntree Macintosh and Northern Foods. These were among the most highly regarded companies in the sector, increased trading margins by 50 per cent since 1970 "and will have to rely much more on increasing sales volume from home and overseas markets."

RHM and Unigate are also favoured by Mr Creg Morgan of Laurie, Milbank, Unigate's "marketing package concentrates more on quality, availability and service rather than price. It is well calculated to ensure that last year's results were not just an aberration, but profits progress will still be hard won", he says. Although RHM's bakery business and animal feed margins are under pressure, their recovery prospects this year.

Rosemary Unsworth

Market participants await a 10 pc US prime rate

Another hefty dose of competition and economic news promises to keep market men on their toes in the coming week.

The Treasury will start the ball rolling today with the Central Government Borrowing Requirement for August.

On Thursday all eyes will be on the money-supply figures and the market will be looking for a good showing. Bringing up the rear on Friday, comes the retail prices index for August.

On the company side, engineering giant, GKN will be reporting interim figures. The share price came back considerably last week as analysts downgraded estimates, but the market is generally optimistic. Participating 540th last time and with pre-tax profits at this level, the shares, which yielded around 8.5 per cent, should hold up.

However, an uptick in the second half is expected in some £92m-£96m is expected by the year end.

In oils, Tricentral will be unveiling second-quarter figures today. Although the Third field—in which the group is a 9 per cent stake—is now a stream this will only offer cash-flow meagre. Analysts are looking for a slight improvement. Against some £44.7m last time, there is a wide spread of forecasts, ranging



Mr John L. King, chairman of Babcock & Wilcox.

This week

Babcock & Wilcox ought to show a first-half improvement of around 25 per cent on Wednesday. Analysts are expecting some £20m, compared with £15.6m. Projecting this on to the year-end, the group could turn in some £41m.

In papers, the City has been downgrading first-half estimates. Against some £44.7m last time, there is a wide spread of forecasts, ranging

MONDAY. — Interims: — Andersons Rubber, Bowater, BSR, E. C. Cases, Evered, James Fisher and Sons, Home Counties Newspapers, Penfold, Leds, Francis Shaw, Tricentral and Winchmore, Inv. Trust. Final: — Borrelli Tea, Robert M. Douglas, Clendevon Inv, Harrisson Malaysia Ests, Highgate Optical, Stewart Plastics and Tot Tot Trust.

TUESDAY. — Interims: — Aarbury & Madeley, Bannu Cons Ind, Brit. Mohair, Spinners, Brit. Synth Ind, Danish Bacon, S. W. Farmer, Peasants, Reckitt and Colman, Renown, L. Ryan and Willis Faber. Final: — John Haggas, Harrold & Co, Christopher Moran, Staffs Fisheries and Williamson Tea Blends.

WEDNESDAY. — Interims: — Babcock and Wilcox, Berwick Timpo, Bestobell, Black and Edgington, BL Ltd, Burmah Oil, Carpets, Intl, Corinthian Securities, Elbar Intl, A. Jones and Shipman, Montford (Knitting Mills), Northern Engineering Inds, Petrochem, Steels, Tharsis Sulphur and Copper, Thomas Tilling and Turner and Newall. Final: — Aust and Jot Test, Matthew Clark and Sons, May-

nards, Romai Tea and Walker Goldsmith and Silver Smith.

THURSDAY. — Interims: — Beralat Tin and Wolfram Bifurcated Engineering, Bookie McConnell, Bridon, Brit-Vita, Brit-Vita, Croda Intl, Derr Croch, Dutton-Forsyth, Gyr Friedland, Haggas (Clendevon), Harrold, G. Olier, Highcroft Ing, Ltd, Home Chem Horace Cory, Hundleigh Gyr Thomas Jourdan, Lead Inds, Lyons and Lyons, Magnolia Cyp, Nchanga Consol, Copper Mines—(1st quarter), Noble and Lund, G. Olier (Footwear), Oxley Printing Gyr, Prudential Assoc, Richards and Wallington, Royal Dutch Petroleum, Schroders, Shell Transport and Trading, Trafford Park Estates, James Wilkes and Winstone Estates.

FRIDAY. — Interims: — Alcan Aluminium (UK), Alexander Hides, Broadoo and Cloud Hill Lims, Works, Guest Keen and Nettlefolds, Liberty and Co, Prince of Wales Hotels, Rolls Royce Motors and Williams and James (Engineering).

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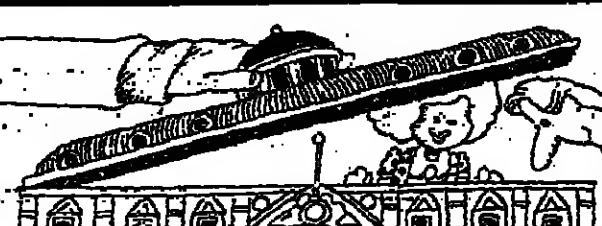
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	Index	Div.	Earn.	Change
	per 100	Yield	Value	per cent
	1954 = 100			
The Times Industrial Share Index	255.63	5.12	11.44	+5.41
Largely Financial	230.12	5.32	10.84	+5.45
Smaller Co's	111.14	7.08	12.24	+5.35
Capital Goods	242.20	6.02	14.11	+5.69
Consumer Goods	234.22	5.85	10.50	+5.58
Share Shares	249.45	5.84	9.81	+5.51
Largely Financial				
Shares	230.12	5.32	10.84	+5.45
Largely Industrial				
and Industrial	255.63	5.12	11.44	+5.41
Shares	242.20	6.02	14.11	+5.69
Commodity Shares	234.22	5.85	10.50	+5.58
Gold Mining				
Shares	346.45	8.48	15.82	+6.25
Industrial				
of Petroleum Shares	64.56	9.00	12.41	+6.13
Industrial				
of Iron in Shares	25.91	12.44	—	+6.13
Ship, Air Line	316	11.22	—	—
A RECORD OF THE TIMES INDUSTRIAL SHARE INDEX: given below				
	1929 = 100		1954 = 100	
1918	227.52	22.82	74.79	48.15
1919	227.52	22.82	74.79	154.55
1920	227.52	22.82	74.79	154.55
1921	227.52	22.82	74.79	154.55
1922	227.52	22.82	74.79	154.55
1923	227.52	22.82	74.79	154.55
1924	227.52	22.82	74.79	154.55
1925	227.52	22.82	74.79	154.55
1926	227.52	22.82	74.79	154.55
1927	227.52	22.82	74.79	154.55
1928	227.52	22.82	74.79	154.55
1929	227.52	22.82	74.79	154.55
1930	227.52	22.82	74.79	154.55
1931	227.52	22.82	74.79	154.55
1932	227.52	22.82	74.79	154.55
1933	227.52	22.82	74.79	154.55
1934	227.52	22.82	74.79	154.55
1935	227.52	22.82	74.79	154.55
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1941	227.52	22.82	74.79	154.55
1942	227.52	22.82	74.79	154.55
1943	227.52	22.82	74.79	154.55
1944	227.52	22.82	74.79	154.55
1945	227.52	22.82	74.79	154.55
1946	227.52	22.82	74.79	154.55
1947	227.52	22.82	74.79	154.55
1948	227.52	22.82	74.79	154.55
1949	227.52	22.82	74.79	154.55
1950	227.52	22.82	74.79	154.55
1951	227.52	22.82	74.79	154.55
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1958	227.52	22.82	74.79	154.55
1959	227.52	22.82	74.79	154.55
1960	227.52	22.82	74.79	154.55
1961	227.52	22.82	74.79	154.55
1962	227.52	22.82	74.79	154.55

* Flat interest 1916.



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ACROSS 1 As noble a knight as a girl falsely deceived (3, 7). 2 Man Elsie's detailed to return to (4). 3 ... and signs of cockney's picnic basket by the shore (10). 4 Measures taken to behold author (4). 5 Antisepic for French all to settle for sleep (5). 6 Possibly the big community spirit (5). 7 Relinquished note-players about finished (9). 8 Uganda once in Cromwell's time (12). 9 Instruments for breaking the wave back (4). 10 Like some low-making of NATO to instrument form (10). 11 Toy gives you both endless love (2, 2). 12 Figures to get first in a branch of science (10).

BIRTHS McQuinn-On Sept. 9th, at Harrow, Charlotte, daughter of Mr. and Mrs. J. McQuinn. (Mrs. J. McQuinn, 10, St. John's Road, Harrow, Middx.)

MARRIAGES FAIRLEY-ROBERTSON-On Sept. 9th, at St. George's, Harrow, Mr. and Mrs. J. Fairley and Mrs. R. Robertson. (Mrs. J. Fairley, 10, St. John's Road, Harrow, Middx.)

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DEATHS O'NEILL-On Sept. 9th, at St. George's, Harrow, Mr. and Mrs. J. O'Neill. (Mrs. J. O'Neill, 10, St. John's Road, Harrow, Middx.)

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WINTER SUNSHINE? WINTER SPORTS? WINTER CRUISES

WINTER CRUISES

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INTERNATIONAL
Herald Tribune

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PARIS, SEPTEMBER, 1978

Japan

Concern Is Focused on the Yen's Rapid Climb

By Gregory Clark

TOKYO (HT) — The Japanese government is determined it can and will reach Premier Takeo Fukuda's growth target of 7 percent in this fiscal year, but some worrying signs still remain.

Most concern is focused on the punishing effects of the yen's rapid appreciation. While most export industries found to their surprise that they could live with an exchange of 220-230 yen to the dollar, a 180-190 rate is clearly a very different matter.

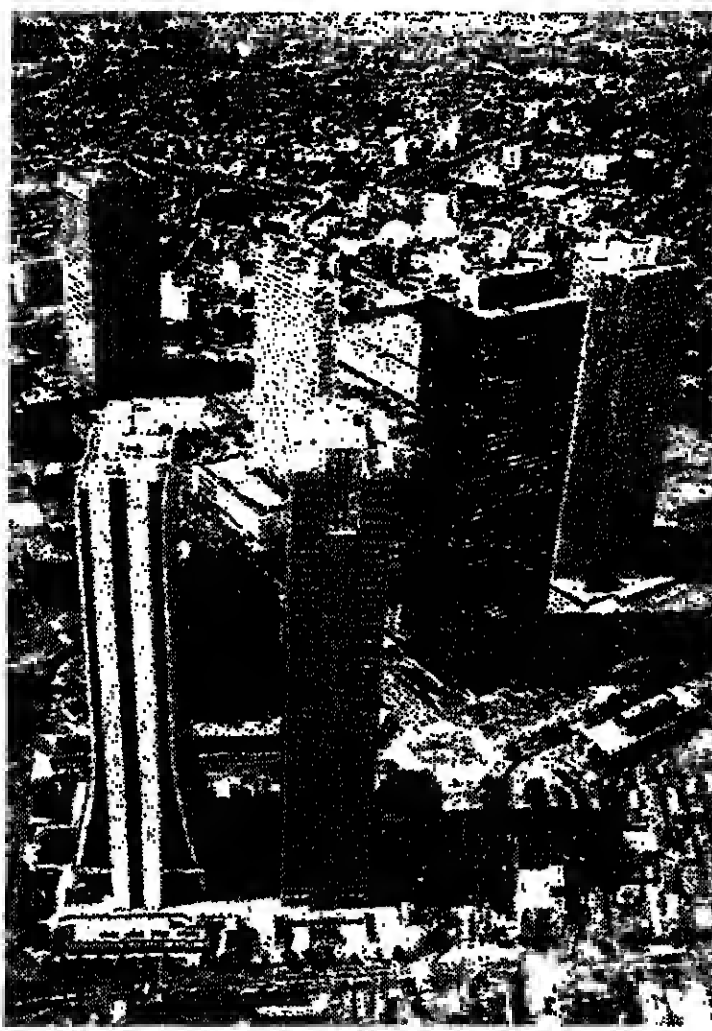
Tough Election

The more cynical were quick to note that Mr. Fukuda faces a tough election later this year to hold his position as leader of the ruling Liberal Democratic Party and, with it, the premiership.

At the Bonn economic summit, Mr. Fukuda went out of his way to identify himself with the growth target of 7 percent. (The next economic summit is to be held in Tokyo next year.) He now has every interest in being actively concerned about the economy, particularly since he owes his present position to a reputation for economic expertise.

Politics aside, the prospects for the economy are mixed. Optimists, such as the head of the economic planning agency, Kiichi Miyazawa, ignore the sagging output figures. For them, the inventory figures are far more important, and here there are clear signs of improvement. The past 12 months have seen a fall of 6 percent overall, with particularly heavy declines in such problem industries as iron and steel and non-ferrous metals. Even more than in most other economies, Japanese producers are highly sensitive to inventory levels, and the high levels of the last three years have been a major brake on production. But some soft spots remain. Manufacturers still show a strong disinclination to spend money on new plants and equipment.

True, things have improved



Skyscrapers rise above the changing city of Tokyo.

somewhat since the heavy declines in the latter half of last year, with some increase in the first half of this year and a cautious optimism for the remainder. But at 16 percent of GNP, total equipment investment is well below the peaks of

bright spots. The most obvious is the rapid increase of investment in non-manufacturing equipment. With a jump of around 10 percent predicted for this year, this is clearly becoming the growth sector for the overall economy. Admittedly, much is concentrated in semi-governmental facilities such as those for generating gas and electricity. As such, it comes more under the heading of government pump priming rather than a response to genuine demand.

The rapid growth in recent years of supermarkets and fast-food outlets is one sign of the scope the economy has for further growth by modernizing its inefficient service sector.

Another cause for hope is the rapid improvement in enterprise profitability. It is now clear that the pressure to cut surplus staff, to sell unused assets and to repay unneeded loans has left much of Japan's private enterprise looking much sleeker and fitter than before.

Added to this is the lowering of the wholesale price index as import prices fall.

Major Advantage

The virtual halving of interest rates over the past two years has also been a major advantage. Many of Japan's heavily overborrowed companies have increased profits 10 to 20 percent simply through lower interest payments. True, the fall of interest rates has left the banks in an unfavorable situation, but they are not finding much sympathy for their problems.

Higher profits mean more business confidence and eventually, it is hoped, more investment — once the investment opportunities can be found.

Will the opportunities emerge? The Japanese economy has four basic engines of growth-inducing demand — exports, consumer spend-

ing, private investment and public works.

Of these only one engine is operating at full pace — public works. The other three are very definitely sputtering, and it is expected that exports will have to get much worse before they can get better.

In theory, public works is also the most dangerous of the four engines. It drains budget funds. It is inflationary.

Dismay

The conservative Finance Ministry makes no secret of its dismay at the government's regular annual increases of 30 percent in spending on public works has forced the budget to rely on borrowed funds to well over the critical limit of 30 percent (it is currently 37 percent).

But the government is not without its rationale. Spending on public works has had strong ripple effects on some of Japan's most depressed industries — cement, steel, heavy machinery and now basic chemicals.

The same money that is used to stimulate the economy via a tax cut, for example, would simply end up in higher bank deposits.

And given Japan's lack of capital stock, public works has high productivity. In other words, a new road or hospital finds ready users.

On the other hand, some of the public works are obvious pork barrels. Why, for example, does Japan suddenly need three bridges to span the Inland Sea and link the island of Shikoku to the main island of Honshu?

Housing

If "construction is beautiful" — and this is roughly what the government says when it refuses obstinate opposition demands for a large tax cut in the coming supplementary budget — then more emphasis could be placed on housing. Far more than roads, bridges and even hospitals, housing clearly is a backward area of the economy, with consumers discouraged by high prices.

The government has promised more funds for housing loans, but observers note that this would only be a beginning.

In the debate about 7-percent growth, the problem that started it all — Japan's runaway trade surpluses — has been almost completely forgotten.

Mr. Fukuda did not make his promise as part of some desperate bid to revive a sick economy. On the contrary, he has argued in the past that high growth rates are bad for Japan. His promise was for a specific purpose — to promote domestic demand as a way to cut export pressure and increase import demand. At the time, a yen-dollar exchange of around 220 was seen as little better than a national disaster.

Mr. Fukuda solemnly promised that if his target was reached, the

(Continued on Page 4)

Just a Beginning

na Trade 'Going Fast' through New Agreement

By Alan Lunn

(IHT) — Trade between Japan and China will rise 40 percent this year, and that is just a beginning, according to Japanese and government officials.

Japan-China long-term trade agreement was signed in February 1978, and it is expected that four major deals to a billion dollars have been made between China and Japanese companies, including a

joint venture to build a steel mill, a joint venture to build a television plant, a joint venture to build a polyurethane artificial leather factory, and others are near the start, according to the Japan Trade Organization, a semi-governmental promoting trade.

So fast, even people doing the signing (of the trade deal) don't know all of the details," said Hiroji Hirai, the Association for the of International Trade.

The agreement calls for providing technology and know-how for the first time in the 1978-82 of the eight-year agreement. The value of this material is expected to be in the first three

er Quantities

return, will supply Japan's oil, coking coal and 47.1 million tons of 15-5.3 million tons of 3.3-3.9 million tons of the final three years by 1981, with the quantities for each year larger than those for the first three years.

der the agreement must be reached by the end of the year. The trade not covered by the agreement is also expected to be increasing, at least equal to the quantities of the agreement.

ely reported figure of (total trade over eight years) moderate estimate. Watanabe, president of China Economic Cooperation and the man negotiating and writing the agreement with the Japanese government, said in August, "My estimate on simple calculations, China trade will reach

High Gear

Japanese businessmen, thwarted in their past efforts to exploit China's 800-million person market by China's insistence on tying politics to trade, have already begun moving into high gear.

Contracts already signed in the six months since the agreement was completed include:

- a color television integrated circuit, picture tube and glass TV tube valve manufacturing plants to be built by Tokyo Shibaura Electronic Co. (Toshiba), Hitachi Ltd., and Asahi Glass Co., totaling \$210 million.
- an ethylene plant to be built by Nikkiso Co. and Marubeni Corp. in Tacheng, costing \$230 million.
- an artificial leather making facility supplied by Kurare Co. for about \$25 million.
- a polyurethane processing plant to be built by Nippon Polyurethane for about \$25 million.

In addition, basic agreements have been reached and contracts are expected to be signed in September for one of the biggest projects — a still mill and related facilities at Paoshan, to be constructed under the guidance of Nippon Steel Corp., at an estimated cost of up to \$300 million.

Other Contracts

- a project involving several ethylene-product plants for \$130 million. Mitsui, Mitsubishi, Sumitomo and Show Chemical are all competing, with one, two or three of the four likely to get the contract.
- a still-mill-related facilities for the Paoshan mill (no estimate available).
- a shipbuilding yard for \$100-200 million. Hitachi, Fuji Heavy Industries and Mitsui Shipbuilding are competing.
- a \$250-300 million power station complex to be built by Tokyo Electric Power.

And finally, two huge projects not covered under the treaty — ex-

(Continued on Page 2)

Stop-and-Go Samurai Bond Market Now at a Stop

By Stephen Bronte

TOKYO (IHT) — Yen denominated bond flotations by foreign entities, known as Samurai bonds, have suddenly lost their appeal.

The collapse of the Samurai bond market this summer has no doubt been the biggest disappointment for the Japanese brokerage community this year, and underwriters are now having difficulty placing Samurai bond issues by the most highly rated borrowers.

During the first six months of this year they were some of the hottest moving securities in the financial world. However, brokers who were predicting more than one trillion yen in new issues for this year are now facing a chorus of complaints from investors who are unable to dispose of their yen denominated securities on the secondary market.

The recent bearishness of the Tokyo Samurai bond market is not surprising considering the market's stop-and-go history. In 1970 the Asian Development Bank was the first institution to borrow in Japan through the flotation of yen denominated bonds. At that time the Japanese economy was booming, and the export of a little capital to charitable causes like the World Bank or Third World nations fit in with the country's foreign policy initiatives. By the end of 1973, total public and private yen bond flotations had reached over 270 billion yen.

The oil crisis brought the development of the Samurai bond market to a halt. Because the huge increase in the price of oil, Japan's

largest import, was causing a frightening drain on the country's foreign exchange reserves, the Ministry of Finance (MOF) banned further Samurai bond issues.

After an 18-month hiatus, Samurai bonds made their comeback in 1976, when in the light of Japan's recovering balance of payments position, MOF allowed a few small offerings.

Open Doors

Since then, the number of MOF approvals of foreign yen bond issues has risen considerably. Until early 1977 MOF had set a low ceiling of one or two Samurai bond issues per month. But once Japan's balance of payments surplus started to reach levels that were causing international friction, the ministry

opened the doors to a board of new foreign issuers.

MOF's new policy reflects more than high-minded ideals of internationalizing Japan's capital markets. If foreign institutions borrow money through yen bond flotations, they are required to immediately convert the funds into dollars and other foreign currencies. This has the effect of supporting the dollar on the foreign exchange markets and holding down the value of the yen, therefore keeping the competitive advantage that Japanese exporters have in the world markets.

MOF is hoping to gain other benefits from its new open-minded policy. The capital outflows that result from the flotation of Samurai bonds in Tokyo help to reduce Japan's controversial current account surplus, which came to \$8.81

billion for the first six months of this year. The resulting conversion of the proceeds from yen bond issues would also indirectly trim down Japan's massive gold and foreign currency reserves, which totaled \$29.3 billion at the end of June, the third largest in the world after West Germany and Saudi Arabia.

From January to July this year Samurai bond placements were proceeding at the rate of 90 to 100 billion yen a month. With the yen soaring to new highs, foreign investors were snapping up the securities and in the process engaging in a little currency speculation. Although foreigners are limited to buying only 25 percent of each new issue, there are no restrictions on the secondary market. Japanese institutions

(Continued on Page 6)

Westerners Trying a Hand at Calligraphy

By Ken Ishii

TOKYO (IHT) — Not long ago, calligraphy was considered an art incomprehensible to the average Westerner. As an art form devoted to the reproduction in various styles of the Chinese ideograph, it was regarded as totally alien to cultures built on Western alphabets.

Now, those who held such notions are being proved wrong. Calligraphy exhibitions in Europe and the United States in recent years indicate a growing interest in this traditional Oriental art form. More and more Westerners in Japan are attending calligraphy schools. While it would hardly be right to describe the situation as a boom, there has been a definite upswing in interest that was not apparent 10 years ago.

Takuma Iijima, a professional calligraphy master who is staging exhibitions of his works in Paris, Cologne and Koblenz in September and October, says one reason is the closeness of certain calligraphic forms to Western abstract painting. "Besides," he adds, "artistic appreciation transcends cultural boundaries. Miro (the Spanish painter), for example, has a good understanding of Japanese calligraphy, and his lines have much in common with our brush strokes."

A remarkably young 45 years of age, Mr. Iijima is deputy secretary-general of the Japan Calligraphy Association. He was introduced to calligraphy by his parents, who are both masters in the art.

Beginning

Calligraphy began as an art in China some 3,000 years ago and was introduced to Japan about 1,500 years later. Mr. Iijima, who has recently visited China, reports that today Japan is more active than China in this field.

Chinese characters emerged out of primitive picture symbols that, like the hieroglyphics of ancient Egypt, were devised in the likeness of the objects they represented. And, indeed, some characters today — like mountain, river and horse — still maintain a visual resemblance to their meaning. However, as language became more sophisticated, the limitations of visual resemblance led to the use of lines and dots, so that most characters became abstract representations.

Brush writing is a required course in Japanese schools from the third grade of primary school to the third year of middle school. This covers

children from ages 9 to 15. But the purpose, like that of penmanship, is to teach the basic forms required to write legibly.

Japanese place more importance on properly formed characters in ordinary correspondence than do Westerners with good penmanship. There is also only one correct order in which the lines and dots of each character must be drawn.

There are several styles of Japanese calligraphy. The most formal is called *kaisho* in which each line, curve and dot is clearly identified in relation to the other components of the character. *Kaisho* characters are rather square and the lines are straight. Then there is the slightly less formal *gyosho*, in which the lines are softer, sometimes blending into each other. *Sosho* is still more informal, with the lines appearing to flow into one another so that the characters seem far more abbreviated than in *kaisho* or *gyosho*.

There are also *tensho* and *reisho*, styles used some 2,000 years ago and rarely practiced today except by experts.

Differences

One of the major differences between Chinese and Japanese calligraphy is that the Japanese use their own *katakana* and *hiragana* phonetic alphabets that they combine with Chinese characters. These alphabets were invented in Japan some 1,300 years ago. Originally simplified forms of Chinese characters, they were later fitted to the pronunciation of the Japanese language and used in sentences.

Until 1945, some 4,000 Chinese characters were used in Japan. But to simplify the language, this was reduced to around 1,900. In many cases, characters have been simplified to fewer strokes than the form in which they were introduced from China.

In the art of calligraphy, however, only the original characters are used. "The original characters are far more aesthetic," Mr. Iijima says. "The abbreviations used today are simply for convenience and speed."

The art of calligraphy took a setback after World War II. Occupation authorities banned it on the same grounds they banned judo, kendo and other *do* (way) arts. Any *do* was associated with militarism and thus considered inconsistent with democracy. Calligraphy is *shodo*, or the way of writing.

The ban was lifted after 10 years. With calligraphy's revival, the various

(Continued on Page 3)



Iijima uses hiragana to form the word 'life.'



A character for 'mountain' by Takuma Iijima.

日本

Emergency Imports Raising as Many Problems as They Solve

By Rene Lebowitz

TOKYO (IHT) — On Aug. 12, Japanese Minister of International Trade and Industry Toshio Komoto announced that he had reached an agreement with the Economic Planning Agency chief, Kiichi Miyazawa, to triple Japan's proposed emergency imports from 4 billion to \$12.5 billion.

At the same time, Toshio Doko, head of the powerful Keidanren, Federation of Economic Organizations, was reported to have mentioned a figure in the neighborhood of \$15 billion. Mr. Komoto himself had talked about a \$10 billion import proposal as early as April, well before Premier Takeo Fukuda finally announced his \$4 billion package just prior to the July Bonn summit.

These days, few people take the higher figures seriously. Minister of Overseas Economic Affairs Nobuhiko Ushiba told a reporter that \$5 billion is probably about the most that can be expected this year.

While the plan has been generally welcomed at home, foreign businessmen and diplomatic observers have not been unanimous in their praise. The very fact that an emergency import plan is required would tend to show, at least from the foreign point of view, that all is not well with Japan's policy on imports in general.

Different View

The Japanese view on the issue is quite different. Mr. Fukuda has said on many occasions that the lack of foreign goods available in Japan is the fault of foreign businessmen who have not bothered to study the peculiarities of the Japanese market and who are not prepared to make the necessary investments, either financial or cultural, in order to grow here.

While former Foreign Minister Ichiro Hatoyama could lecture visiting journalists last year on the need for foreigners to study the Japanese language, by 1978 the Japanese trade surplus had become so apparent that what could be described as surgical cuts were necessary to remove the glut of dollars that had piled up in Japan. Various amounts are used to indicate the Japanese surplus. The most dramatic one is the \$20.4 billion black

figure for the fiscal year ending March 31, 1978. Projections for the fiscal year ending on the same date next year show a surplus of possibly \$28 billion — about half of that amount being with the United States.

It had been hoped that the de facto dollar devaluation started by U.S. Secretary of the Treasury Michael Blumenthal a year ago, with a dramatic statement that the dollar was overvalued, would correct the trade imbalance by making U.S. goods cheaper in Japan and conversely Japanese goods more expensive on the U.S. market. By June 1978 the value of the dollar had declined by 20 percent without an appreciable change in U.S.-Japanese trade patterns. A summit of the world's seven leading economic powers was due in Bonn on July 16-17 and, as one diplomat put it, "We were headed for another round of Japan-bashing."

On June 12, reports began to circulate of a \$4 billion emergency import plan and a beefing up of the Japanese overseas development aid program. As the plan began to take shape it became evident that the government would consider buying a number of U.S.-made wide-bodied jets, and that imports of raw materials would be bought in large blocks for stockpiling. The aid program would be doubled, although just what figure would be multiplied by two would be left for further debate.

Foreign Reaction

The foreign reaction to the emergency plan was to label it as "pre-summit cosmetics" in view of the small amounts on which the government was actually willing to commit itself. The premier announced that wide-bodied jets would be purchased for the use of members of the Cabinet and that domestic airlines would retire aging Mitsubishi turboprops and buy U.S. or European planes. This part of the plan came to about \$650 million. Japanese power companies would sign for \$1.2 billion worth of uranium ore, and oil imports worth \$2.2 billion would also be arranged.

The Japanese approach is summed up in the following report in the English-language Yomiuri: "Government leaders believe this plan shows Japan's positive atti-

tude to reduce its trade surplus and that Japan can open calm foreign criticism over its trade surplus at the Bonn summit."

Western diplomatic sources, however, expressed doubts even before the Bonn summit got under way, saying that the \$4 billion figure was insufficient and that the uranium deal had hardly taken shape. Moreover, Japan was experiencing a shortage in oil storage facilities, and this cast doubt on the likelihood of a \$2.2 billion deal.

In reaction, one foreign businessman said, "The Japanese are not increasing their machinery imports. They are just insuring the sources of raw materials for their own industries at an earlier date than they might have planned."

Canada

The \$1.2 billion uranium deal has caused Japan's present suppliers of uranium, notably Canada, to worry that Japan might be forced to buy U.S. uranium in order to please the United States for political reasons. Not only does Canada supply 40 percent of Japan's uranium needs, but the country also enjoys a favorable trade balance with Japan to the tune of \$1 billion dollars, compared with the \$8 billion red figure the United States had with Japan for the 1977 calendar year.

Canadian officials said they do not mind Japan buying enrichment services from the United States several years in advance (Japan's U.S.-designed light-water reactors require enriched uranium). What worries them is the possibility that the United States might enter the uranium ore market with a mammoth deal that would call for sales of unprocessed uranium (to be processed at U.S. enrichment plants) from the Department of Energy's emergency stockpiles.

Reports from Washington indicate that an agreement is likely to be reached within a few months on enrichment services amounting to \$1.5 billion that would take care of Japan's needs until 1985. The fact remains, however, that while emergency imports may be necessary to offset trade imbalances, they inject an element of uncertainty in traditional trade ties.

For one thing, U.S. opinion is by no means united on the advisability of selling uranium to Japan. Some

U.S. officials believe uranium is like money; it is always in demand so there is no reason to give it away at present.

Only recently, there was a major diplomatic dispute between Japan and the United States on the issue of reprocessing, and Canada went so far as to cut off uranium supplies to those countries that did not wish to sign its strict safeguards agreements on the reprocessing issue. Thus there is some confusion among foreign diplomats as to just whose emergencies the uranium imports are intended to take care of: the United States, with its balance of payments problems or Japan, sorely in need of a steady supply of energy.

After the oil crisis, the Ministry of International Trade and Industry embarked on an ambitious program to increase the country's stockpiles of crude oil from 42 to 90 days. The plan has run into trouble because of the expense of buying up real estate on which to build tank farms as well as opposition from environmentalists and local residents to such facilities being in the neighborhood. A temporary solution was found by storing crude

oil in mammoth tankers that would otherwise have to be mothballed because of the depressed tanker market.

Some people have questioned just where Japan is going to put \$2.2 billion of crude oil for which there is no immediate domestic demand. A simple calculation shows that at \$11 per barrel Japan would require 57 mammoth 500,000-ton tankers to store \$2.2 billion worth of oil.

A Dilemma

The matter of emergency airplane imports has also presented Japan with an unusual dilemma. Air traffic in Japan does not serve the same important function as in the United States or Europe. Domestic airlines can fly jumbo jets only to a limited number of airports. Although officials at Toei Domestic Airlines said in late August that they will purchase a fleet of stretch DC-9s, the deal is hardly enough to satisfy the \$4 billion import plan, let alone the recent beefed-up \$12.5 billion version. Part of Japan's jumbo jet imports are actually leasing arrangements whereby a Japanese company will

buy four Boeing 747s and lend them to Korean Air Lines and British Airways.

However, the fact that the emergency import plan contains the very problems it attempts to solve is illustrated by the bureaucratic problems in expediting the airplane leasing idea. A total of \$100 million has been earmarked for leasing planes to third countries, but only a handful of Japanese corporations are allowed to touch the deal because it involves financing by the Japanese Export-Import Bank and the government has ruled that only 100-percent-pure Japanese firms can handle Eximbank funds. The rule goes further to exclude Japanese firms that have even one foreigner on their boards of directors.

Moreover, government regulations call for a March 31, 1979, deadline for the deals, something that one airline industry insider said is impossible.

Ships

Part of the \$4 billion import plan also called for a clever arrangement whereby Japanese ships at present under foreign registry would be re-registered in Japan and then loaned

to those Japanese overseas subsidiaries that are using them and that had them registered abroad in the first place. This aspect of the emergency import plan has not been greeted with enthusiasm by foreign businessmen looking for an entree into the Japanese market for foreign goods.

In the end, the imports call essentially for a continuation of Japan's present patterns of business: importing raw materials and — with the exception of jet aircraft — exporting finished products.

The much-publicized decision of the premier to purchase jumbo jets for the personal use of Cabinet members only served to remind foreign businessmen that foreign firms would be barred by what is called in Japan "administrative guidance" from bidding for the majority of government orders. One businessman working for a U.S. electronics firm called the pre-Bonn announcement of the import plan "ironic." A representative of a West German company in the same field said, "We gave up bidding for government orders a long time ago because we know we have no chance."

Nihon Telephone and has a \$2.7 billion annual budget, but because publicized closed deals go to only particular firms, capitals make plain, it is likely fair to accuse the Japanese of conspiring to keep foreign markets. Decisions on very low levels and policy take a long time down.

While the emergency raise just as many problems as it solves, U.S. Assistant Secretary of Commerce Frank Weil said in Tokyo that he opined that the idea of merely laying the Japan for its huge trade

Mr. Weil said, "For every foreign import to Japan, one against exports by firms from the United States, the balance of trade is not going to be in the United States' favor. The emergency imports would appear to highlight the necessity to change the of Japan's imports — not quantity."

Trade With the Chinese Is 'Going Fast'

(Continued from Page 1)

exploitation of China's offshore oil deposits and a massive remodeling of its rail system — are also moving forward.

No one will estimate how much is involved in the oil exploitation, but two officials put the railroad project at \$2-3 billion. Other countries are competing heavily with Japan for both the jobs, but Japan has a major advantage, and some officials predict contracts for parts of both projects will be signed before the end of the year.

China's 10-year modernization plan means that the nation is finally eager for outside help, particularly from Japan. But the Japanese, happy as they are to oblige, are facing a couple of problems that could dampen the rosy predictions now being made.

First of all, there is the oil China

intends to use to pay for most of Japan's technology and equipment. Japan, like most industrialized countries, badly needs oil. Unlike most, it has none of its own. But Japanese oil companies put up stiff resistance to setting the amounts as high as they are in the eight-year agreement.

Oil company spokesmen said they have neither the refining nor the storage facilities to handle that much oil. In addition, they said, Chinese oil is heavier in paraffin than Mid-east oil.

The Japanese government has been engaged in a running fight with the companies for several years over the first point. The government wants to expand storage and refinery capacity, and it wants the companies to pay, at least in part.

So far, no solution has been reached, but one will be needed almost immediately if the expansion

is to be accomplished before Chinese oil begins pouring into Japan. If no solution is found, many of the planned contracts may go to other countries that can take the oil, because that is nearly the only way China can pay for the things it wants to buy.

An Analysis

A second problem, not mentioned by most of those concerned here, was brought up in JETRO's analysis of how trade will develop over the next eight to ten years.

The JETRO analysis notes there were three earlier attempts at industrialization in China — 1953-57, when China imported industrial plants from the Soviet Union and Eastern European countries; 1963-65, when China bought more than 20 industrial plants from Japan and Western European countries following the deterioration of rela-

tions with the Soviet Union, and 1972-74, when China bought another 170 plants, again from Japan, the United States and Western European countries.

"Each plant introduction period of the past came to an end within three to four years after it started, with political struggles preceding or following the period," JETRO's analysts wrote. "All of these political conflicts clearly indicate that China's introduction of overseas technology and industrial plants was always subjected to a series of political struggles involving confrontation between those favoring such introduction and those against it."

The JETRO analysis points out that introduction of foreign technology necessitates a large expansion of domestic investments — as a rule of thumb, three times the cost of the imports.

"This being the case, whose investments in large industrial projects come from national treasury, will have fiscal expenditures while increase fiscal revenue, result in an increased in the Chinese people in run," the analysis said.

"Furthermore, according to industrialization, which is result in preferential treatment for foreign investors as well as the technology involved in promoting the projects, thereby expand disparity between the rich class and the worker-farm and between industrial and farming villages."

The JETRO report notes that, at this time, China is industrializing more than other time in the past, and that need will overcome the situation that is certain to arise

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Foreign Firms Require Great Patience to Crack Local Market

By Noel Mortimer

TO (IHT) — A curious phrase has been coined by officials in the course of discussions: "Promotion access creates frustration." It is up the most fundamental in Japan's relations with its partners: the continuing inability of export-oriented firms to penetrate the Japanese market, the promises of the Japanese government to promote more access.

Government's promises have been empty, however. In a recent conference in Tokyo, Assistant Secretary of Commerce, William E. Brock, said that the "vigilant will" shown by the government to open more of the market to foreign trade.

These government officials say that the Japanese market is free as Western markets. The real problem, as some officials freely acknowledge, is that the Japanese institutional and cultural differences make it difficult for foreign firms to do business in Japan.

One of the problems would appear to be the problem of distribution. In Japan, the distribution system is highly centralized, with a few large firms controlling the flow of goods to the retail level. This is in contrast to the more decentralized system in the United States, where a large number of small firms compete for business.

Another problem is the Japanese attitude towards foreign firms. While Japanese officials often claim to be open to foreign trade, they are often reluctant to grant the same level of access to foreign firms as they grant to Japanese firms. This is particularly true in the case of the automotive industry, where Japanese firms have a dominant position.

Despite these difficulties, many foreign firms are still trying to enter the Japanese market. They are doing so because of the enormous potential of the Japanese market. Japan is the second largest economy in the world, and it is growing rapidly. This makes it an attractive market for foreign firms.

However, foreign firms must be patient. It will take time to build relationships with Japanese firms and to understand the Japanese market. It will also take time to overcome the institutional and cultural barriers that stand in the way of foreign firms.

many Japanese officials still do not realize that by opening up the economy to more foreign competition, it could probably best cope with those structural distortions while at the same time reducing the bitterly resented Japanese trade surplus.

Another attitude is outright resentment among many Japanese towards what they perceive as unfair treatment in the past by the Western industrialized world. A recent example is the apparent role played by the United States in "talking up" the yen during its phenomenal rise from nearly 300 yen per dollar at the start of last year to around 190 now.

To most objective analysts, the yen looked seriously undervalued at 300 to the dollar and today it appears only marginally overvalued, if at all.

Japanese officials fully realize this. They also realize that little "talking up" was required, given the size of Japan's trade surplus. But there still appears to be resentment both inside and outside the government that somehow Japan has been penalized for its economic success.

All this means that despite orders from the government to boost imports in accordance with sincere promises to foreign governments, the bureaucracy may still be inclined to wrap imports in red tape.

Thus, introducing new products into Japan can still take months and even years, as applications are carefully studied by a seemingly endless line of bureaucratic authorities.

The fundamental economic philosophy that lies behind Japan's postwar growth miracle could be summed up as "exports are good, while imports (of anything but essential supplies) are bad."

Such beliefs die hard, especially among bureaucrats. Imported manufactured goods may be rising because of powerful efforts by government leaders, but they still account for only 27 percent of total imports. A strong increase in that percentage is expected to take time, since it implies a basic change in the Japanese industrial structure.

Another feature in the Japanese economy that requires restructuring is the complex and inefficient distribution system, which imposes enormous markups on the prices of imported goods and which seems impenetrable to foreign exporters.

No less than 10 million Japanese, out of a total work force of around 55 million, are employed in wholesale and retail businesses.

If the Japanese government were to decide overnight to raze thousands of inefficient, two-man retail outlets and replace them with a few supermarkets, it is conceivable there could be some benefit for foreign exporters. But this would hardly help the Japanese unemployment situation.

Another hard reality is that Japan, like other major industrialized nations — notably those in the European Economic Community — is determined to protect its agricultural sector from excessive foreign competition. Since they wish to maintain their self-sufficiency in food, the Japanese can hardly be blamed for this.

The obstacles to imports into Japan created by traditional attitudes and by structural economic problems can be vividly illustrated by two examples.

The first, taken from the agricultural sector, concerns beef imports. The price of one pound of domestically produced beef in a Japanese store is hovering around 4,500 yen (about \$23). The astronomical retail price reflects the fact that producer prices — because of inefficient, small-scale production methods — are currently around 570,000 yen per head of cattle, more than four times the level, for example, in the United States. The high price also reflects the immensely complex distribution system for beef, which means that the producer's price has been tripled or quadrupled by the time the beef is sold in the shops.

In order to protect Japan's 450,000 cattle farmers from competition from lower-priced imported beef, a semigovernmental body, the Livestock Industry Promotion Corp., has a monopoly on imports of livestock products and imports beef under fixed annual quotas.

When domestic wholesale beef

prices rise above a certain level, the LIPC releases imports; when domestic prices are too low, imports are temporarily cut off.

Imported chilled beef is sold to specially appointed trade groups. By the time it has passed through the distribution chain, it is at best only slightly cheaper than domestic beef. At that point, the retailer himself is often tempted to mix up the imports with domestic beef to raise his profit margin.

As for frozen beef, this is almost exclusively released through bidding and auctions to selected trading groups. Because sales are deliberately made at times of high demand, the groups' bid prices are close to prevailing domestic levels. A small portion of the imported frozen beef is sold directly to 2,300 government-appointed meat stores, which are besieged by consumers until the limited stocks run out.

At first sight, there are a number of ways in which the system could be altered to benefit the Japanese consumer, without destroying the livelihood of domestic cattle farmers.

A proposal made recently by a group of private-sector economists was to take exclusive control of beef imports away from the LIPC and allow anyone to import beef. The economists calculated that wholesale beef prices would drop by about 50 percent and the government would be able to earn enough in tariffs and surcharges to subsidize domestic farmers.

The Ministry of Agriculture, however, opposes the proposal on a number of grounds. One argument is that demand may not rise as much as the economists calculated, so the proceeds from official levies on imports would not come close to covering the necessary subsidies. Another argument is that if demand did rise as fast as the economists forecast, it could cause a sharp rise in the price of imports themselves.

These arguments may be valid

enough as far as they go. But the reasons of the Agriculture Ministry to maintain tight control over imports of beef and other agricultural products have little to do with subsidy payments and import prices.

One reason is that the ruling Liberal Democratic Party is fearful of risking alienation of even a part of the strong farm vote. More fundamental is Japan's deep fear of increasing its dependence on imported food supplies in addition to its forced dependence on imports of industrial raw materials.

In a recent agricultural white paper, the Agriculture Ministry stated its belief that there was no longer much room for major growth in food imports. Overdependence on imported food could endanger the nation's food supply, the white paper said, because the international supply-demand relationship of agricultural products, all though it may be temporarily slack, is tight in the long range. Japan should become self-sufficient as possible in food, the paper concluded, and should not be made the scapegoat of trade conflicts.

Whatever the validity of the ministry's attitude, its rigidity has so far excluded even minor changes in the system that would benefit the Japanese consumer and the foreign producer of agricultural products.

(B) In writing a character or characters, the calligrapher is required to use lines and points (dots) to achieve his concept in one breath and in a continuous movement, without stopping to think and reason along the way.

"On finding some points with which he is dissatisfied, he is not allowed to mend or to stop his movement. And the calligrapher should try to express his heart and soul through his work, with a frankness and purity beyond his consciousness."

(C) Being a calligrapher is achieved in *sumi* (black ink) without the artist being concerned with the effect of colors and forms. Calligraphy must be done according to the way of life and not through preconceived images or ideas.

If this sounds esoteric in English, it is a lot more comprehensible in Japanese. This brings to mind the remark of a Westerner who, on viewing an exhibition of Japanese calligraphy, observed, "It is both mystic and alien, yet most pleasing to behold."

many retailers to choose the rate of low sales volume and high profit margins.

Second, in this nation the process of lowering prices on imports is complicated by the intricate distribution system. Each middleman is tempted to take a slice of the revaluation profit for himself, that by the time a product gets to the shops, the price is almost the same as it was before the yen began its rise.

Another factor is that major Japanese corporations — including the huge general trading companies that handle an enormous chunk of the nation's import and export trade — are widely believed to have been pocketing revaluation gains on imports in order to subsidize their exports and thus remain competitive on overseas markets.

The government insists that all it can do to pass on exchange-rate gains to the consumer where appropriate. (Part of a gain, government economists argue, should not be passed on to the consumer directly in the form of lower retail prices, but would better be used for capital investment by major companies. This would stimulate the economy as a whole and benefit the consumer indirectly through increased employment, productivity and higher wages.)

The Japanese government has done a great deal to boost imports in the last year or so. It has set up a Trade Facilitation Committee with the United States to examine so-called problems encountered by U.S. exporters to Japan. It cut tariffs, advanced the conclusion of a Geneva-based multilateral free trade negotiations. It dispatched a buying mission to the United States and in October will receive a U.S. sales mission. And it has drawn up a program of "emergency imports" expected to total at least \$4 billion in the current fiscal year.

The remaining barriers to imports illustrate the awesome difficulties the government faces in implementing an import-promotion policy. The barriers can be circumvented, as many foreign corporations have already learned. By cracking the Japanese market for almost any product still requires great patience, persistence and time, as well as the willingness to accept lower profit margins, at least initially, than Western companies are used to.

Westerners Trying a Hand at Calligraphy

(Continued from Page 1)

"schools" that existed before the war disappeared. Schools, such as the different schools for flower arranging and the tea ceremony created by masters to perpetuate their particular styles, have no meaning in calligraphy. Calligraphy is a highly individualized art in which no two artists can be exactly the same," according to Mr. Iijima.

While a few schools for teaching calligraphy exist, most instruction today is by private teachers throughout the country. "I couldn't say how many teachers there are," says Mr. Iijima, "perhaps tens of thousands. But if you add up their students, the total number of calligraphy enthusiasts runs into the millions."

Most Japanese adults who attend calligraphy schools are housewives and working women interested in the art as a hobby. The ability to write well with the traditional Japanese writing brush today is a social asset that people took for granted before the Meiji Restoration 100 years ago. Until Meiji, all Japanese writing was with a brush, called *shibubiki*, the structure of which required a degree of skill in manipulation that could only be acquired by practice. The introduction of the pen and pencil made writing easier but eliminated the artistic factor.

How do Japanese appreciate calligraphy as an art form? Mr. Iijima says Japanese look at the calligraphic character in three ways.

"One," he explains, "is the beauty of its shape. The second is the beauty of the character's lines. Japanese consider this second aspect particularly important. The third is the meaning of the character itself."

Westerners, Mr. Iijima says, appreciate calligraphy in terms of the beauty of shape and lines which, he says, "is only natural since most Westerners do not understand the Japanese language."

He adds:

"Westerners seem to be especially interested aesthetically in two aspects of calligraphy. One is *nijimi* and the other is *kasuri*."

the lines created by the hairs of the brush in a pattern that gives the impression that not enough ink has been applied.

"Executing calligraphy requires intense preparation and concentration," Mr. Iijima explains. "The calligrapher must first of all be seated in the proper manner. As he moves the ink stick back and forth on the ink slab wet with water to prepare the ink, he calms himself in order to achieve the right psychological frame of mind. In other words, *shado* (the way of writing) serves to develop the spirit."

For Westerners, Mr. Iijima has prepared a special explanation. "The artistic character of calligraphy," he writes, "can be summarized in the following three points:

(A) Art created in a calligrapher's area of activity concerns characters or letters having certain rules and regulations on their construction. Calligraphy is realized when the calligrapher can grasp the meaning of the character (*kanji*) and impart his own subjective feelings into its expression. The calligrapher must become one with the meaning of the *kanji* and find in it a subjective response which he

communicates through his art. The calligrapher uses *kanji* as a motif to express his way of perceiving life.

(B) In writing a character or characters, the calligrapher is required to use lines and points (dots) to achieve his concept in one breath and in a continuous movement, without stopping to think and reason along the way.

"On finding some points with which he is dissatisfied, he is not allowed to mend or to stop his movement. And the calligrapher should try to express his heart and soul through his work, with a frankness and purity beyond his consciousness."

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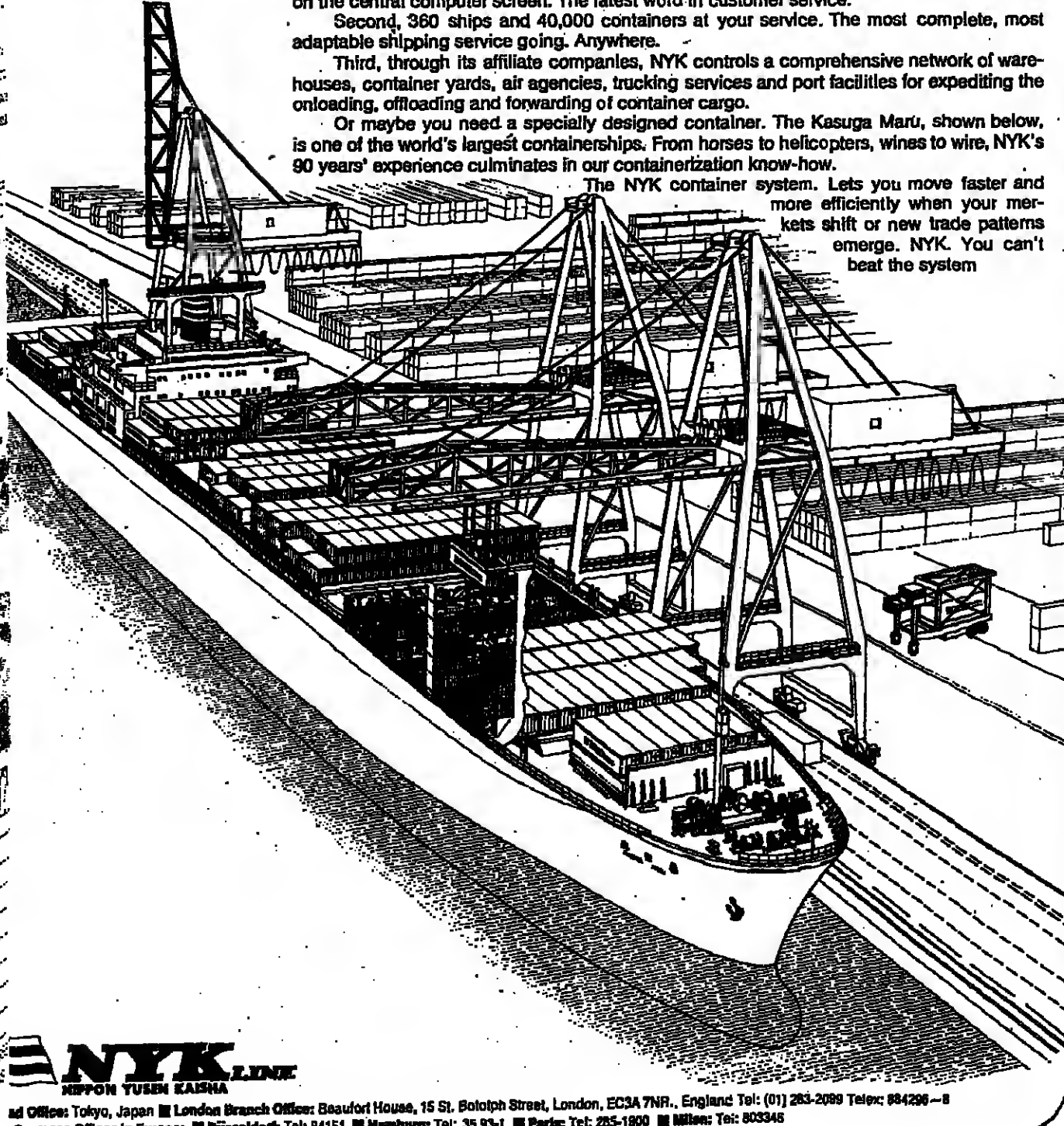
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日本

Medium and Small Industries Are Fighting for Survival

By Robert Y. Horiguchi

TOKYO (IHT) — In times of crisis, it is usually the small people who suffer the most. This is the situation in Japan today. Squeezed between the effects of a soaring yen and growing competition from developing Asian nations, medium and small export industries are engaged in a grim fight for survival.

Many of them are operating at a loss against fast-shrinking backlogs of new orders in sight as their traditional customers, mostly American, are seeking cheaper products in Taiwan, South Korea, Hong Kong and Singapore. In addition, the sudden appreciation of the yen that has almost doubled its value against the dollar in 18 months is driving an increasing number of them to the brink of bankruptcy.

Japan's big business has been able to weather the currency storm

by raising its export prices, taking advantage of the inflationary wave in the United States, while introducing drastic management efforts to pare down costs. However, medium and small manufacturers, with a few exceptions, have not been able to do so as they find that price competitiveness in dollar terms remains the determining sales factor for the myriad of goods that they turn out.

If they raise their dollar prices to make up for reduced yen earnings per unit of dollar sales, they automatically lose buyers. Moreover, the quality of most competing products that are being offered in Taiwan, Korea, Hong Kong and Singapore is now almost as high as their own output, while the currencies in these countries have remained stable.

Established on a shoestring soon after the end of World War II, when the national ethos was "ex-

port or die," these medium and small industries began by implementing the idea that "if it can be exported, let's make it." Many promptly fell by the wayside, but in general they prospered to become the mainstay of Japanese exports during almost a decade until big industry got back on its feet.

The now affected industries cov-

er a wide spectrum ranging from sewing machines, bicycles, wool and cotton textiles, chinaware, musical instruments, toys, cutlery and flatware, tools, eyeglass frames and scarves to various novelties. They form clusters of small businesses in 76 localities throughout Japan, each with its own specialty, employing from 20 to 200 people.

The majority of them are family enterprises.

A survey by the Ministry of International Trade and Industry carried out on July 31, when the yen rose to 190 to the dollar, paints a grim picture. It concludes that should the yen rise to 180 to the dollar, business would come to a standstill in 41 of these localities, while bankruptcies would be inevitable in 21 others.

Even today, says the study, when calculated on a yen basis, sales have already dipped 50 percent in comparison to last year in half of the 76 localities. Hardest hit are the manufacturers of sewing machines, bicycles and binoculars whose markets are nearly saturated.

Dramatic View

A still more dramatic view of the situation is provided by a Tokyo commercial credit agency that attributes to the rising yen 130 bankruptcies of such minor businesses in 12 months since July last year. A total of 22 enterprises collapsed for that reason in July this year alone, it says.

Their total indebtedness is estimated by the agency at \$3.6 billion yen, or approximately \$385 million.

These developments have added fuel to the argument that Japan should follow West Germany's example and opt for an international division of labor by writing off its labor-intensive industries and concentrate instead on the production of goods with a high added value in line with the law of comparative economic advantage.

Experts point out that the annual value of West German exports is 50 percent higher than those of Japan as the result of Bonn's policy of concentrating on the manufacture of high technology products.

In a blueprint for Japan's future, export industry structure, a group of senior businessmen and economists has recommended that 18 products should be taken off the list of the 105 principal goods now being exported.

The 20-member Industrial Planning Conference, a private body

Japan's big business has been able to weather the currency storm by raising its export prices, taking advantage of the inflationary wave in the United States, while introducing drastic management efforts to pare down costs. However, medium and small manufacturers, with a few exceptions, have not been able to do so as they find that price competitiveness in dollar terms remains the determining sales factor for the myriad of goods that they turn out.

headed by Takemichi Sakurada, president of the Federation of Japanese Employers' Associations, grouped the main export products into four categories, ranking them in order of diminishing importance from those that should no longer be exported. "Export efficiency" was the criterion used in making the selection.

Among those recommended for phasing out as export goods were bicycles and flatware. But also listed in this category were canned fish, synthetic rubber, urea, plywood, synthetic long fibers, mosaic tiles, steel and copper products, and transformers and condensers, which are mostly produced by major industrial interests.

The added value of these products, the group ruled, was low in proportion to the energy and raw materials used in their production. Government authorities, while leaning toward these recommenda-

tions since they fall in line with their own thinking, have adopted a cautious attitude on their implementation for economic, social and political reasons. They are particularly solicitous about the welfare of medium and small business establishments.

Minimal Share

The output of such enterprises today represents only a minimal share of the total value of Japan's exports, but in many instances it constitutes the major source of revenue in local economies.

Moreover, the phasing out of manufacturing plants would have a serious local impact by increasing unemployment, which is now running at 2.3 percent, a high level for Japan.

In addition, officials cannot ignore the political clout of medium and small businesses in their communities. These have tradition-

ally voted conservative, on the ruling Liberal Democratic

Consequently, the government is providing low loans to the affected industries to enable them to ride over change pinch and to enable who want to change their business to do so.

This is the second time authorities have extended a hand to minor exporting in The first was in 1971 following so-called "Nixon shock," when the dollar lost its gold backing, precipitating a revaluing of the yen from 360 to 308 to the dollar, the first time its exchange had been changed since the World War II.

The small export business the most seriously affected, government offers to finance change in their business, medium and small enterprises were reluctant to do so. On applications for such loans were ceased in five years.

Funding Request

In contrast, 80 requests for funding for the same purpose were proved between April 1977 and July this year, suggesting that businessmen have seen the light on the wall.

Interestingly, those who whose lines of business in five-year period seldom a vantage of their trade or experience to enter new For instance, persons engaged in silk rearing to running boarding houses, courts; those who used neckties became apartment operators; manufacturers were went into road sign, while a sub-contractor shipyard took up forestry.

Meanwhile, those who applied for government loans, time in business are export markets. A scarf manufacturer's credit to buy a dyeing machine to turn out scarves four times size of those he was selling in the United States. His new partner the Soviet Union, where he require larger scarves because cold. He has no fear of competition from Korea and Taiwan and Soviet Union has no trade with those anti-Communist nations.

A flatware manufacturer, on the other hand, has begun exporting to Africa and the Middle East at cheaper prices. The quality of goods has dropped, however, 20 operations were required to meet export requirements of the United States, he now has with only five.

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日本

Agriculture Remains Problem Sector of Nation's Economy

By Saburo Matsukawa

Consequently, the Japanese government has been forced to subsidize the agricultural sector. The Japanese government has been forced to subsidize the agricultural sector. The Japanese government has been forced to subsidize the agricultural sector.



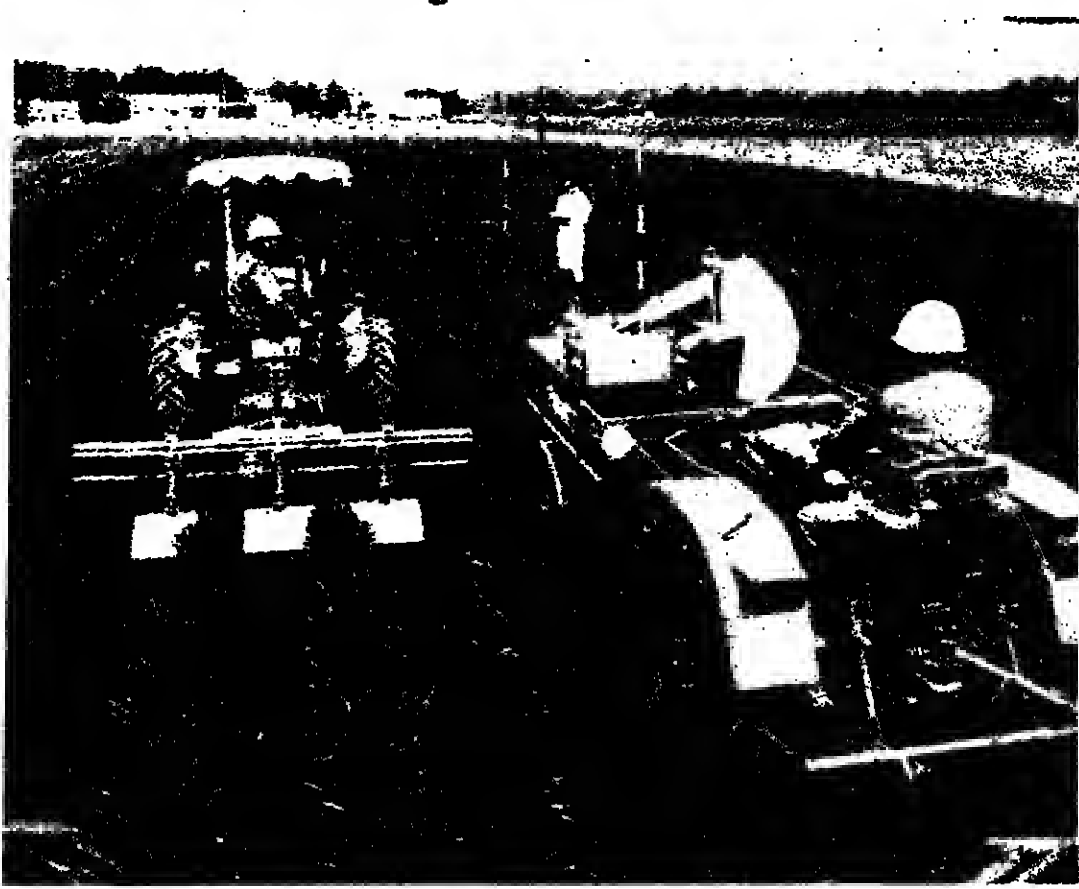
Produce are lined up neatly in a Tokyo market.

farmers' population changed substantially, as younger generations flowed out of rural villages to work in industries. The percentage of farmers above 60 years of age rose from 10 percent to 30 percent, while that of farmers between 16 and 29 years of age fell from 29 percent to 16 percent. Adoption of farming machinery made rapid progress, but the smallness of individual farms seriously lowered capital efficiency.

Partly for political and partly for traditional reasons, the Japanese government has been giving top priority to rice in its policy of protecting agriculture. Under the Food Control Law, prices of rice, wheat and barley are fixed by the Japanese government both for producers and consumers. Every spring rice-growing farmers, with the support of members of the Diet from rural electorates, come to Tokyo in large groups to demand an increase in the producer's price of rice. Despite the sharp decline in the farming population, rural electorates maintained their political importance for the ruling Liberal Democratic Party, which depends heavily on farmers' votes.

In determining the producer's price of rice, the Japanese government applied the principle that the labor of farmers and their families should be valued at the same wage level as urban workers, regardless of productivity. The Japanese producer's price of rice is higher than the international market level, by fivefold in some cases, making it impossible for Japan to export rice on a commercial basis. (Another reason for the difficulty is that rice produced in Japan is the round-grain Japonica-type rice, which is not relished by consumers in many other rice-eating countries, who prefer long-grain Indica-type rice.)

The urban population makes perpetual demands on the government to fix the consumer's price of rice as low as possible. The difference between the high producer's price and the low consumer's price has to be subsidized by the government, which controls the prices and distribution of rice in Japan. On the other hand, the Japanese government objected to protect wheat, barley, soybean and feed grains such as corn and grain sorghum. Domestic production of wheat, which accounted for 39 percent of total Japanese wheat consumption in the early 1960s, has now fallen to only 4 percent; similar declines from 107 percent to 10 percent were registered for barley and from 21 percent to 1 percent for maize and grain sorghum. The gaps were covered with imports mainly from the United States, Canada and Australia.



A weeder undergoes a test on Japanese farm.

Such a policy led to a glut of rice in Japan, especially because per capita consumption of rice fell steadily with the Westernization of the Japanese people's food habits. In the early 1970s Japan had to dispose of about 6 million tons of surplus rice, mainly by directing it to feed use—at a heavy loss to the government. A program to cut back the rice crop by restricting the planted acreage, which had been introduced to deal with the situation, was gradually eased.

However, stocks of rice in Japan rose again to an estimated 4,600,000 tons, including 3,600,000 tons of old-crop rice, which is much larger than the normal running stocks. The Japanese government decided to drastically lighten the outback program to reduce the rice crop, which reached 13 million tons last year, by 1,950,000 tons in 1978. Farmers are strongly opposed to the plan, simply because no other crops are so lucrative for them as rice. The volume of surplus rice is now expected to exceed 6 million tons this fall in view of an unusually long summer with plenty of sunshine.

Although the agricultural price support system is applied to a total of 34 items, representing nearly 80 percent of total agricultural production, 90 percent of the appropriations in the national budget for this purpose is spent for rice alone. Some farmers are still unable to make up their minds to switch part of their paddy fields to other crops. The Agricultural Ministry says the rice crop outback program is an emergency measure necessitated by the surplus rice crop and will be followed by a longer-range plan to restructure Japanese agriculture. The ministry has already raised the producer's prices of wheat, barley and soybean to recover their domestic output.

To the meantime, steps are being taken to improve the paddy fields in order to expand second crops in winter, which have now declined to 8.8 percent of total farm production from 34.1 percent previously. The program will also encourage enlargement of individual farms through purchases and renting of land and will establish closer communication and cooperation among farmers by rebuilding rural communities. The ministry is also contemplating a series of measures for structural reforms, to follow up to previous ones launched since 1960 and it is encouraging 1,250,000 "core farming households" to take over the whole of Japanese agriculture.

Since the early 1970s the Japanese have become increasingly aware of the need for self-sufficiency in foods. Japan's own food production has fallen to 72 percent of its total food consumption from 9 percent in 1960. Protection of agriculture, which is also practiced in Western countries, especially in the EEC, has become more important than ever for securing enough food for the nation. Some foodstuffs, such as beef, may come in short supply again in the future.

Imports

Until these measures take effect to rationalize and modernize Japanese agriculture, the nation is only slowly opening its markets for farm products, ministry officials say. Japan will certainly increase the imports of these products gradually as domestic demand increases, but it cannot go to the extent of importing its own agriculture.

As for those agricultural products on which Japan will have to continue to depend for overseas sources of supply, including wheat, maize, feed grains and sugar, Japan will try to secure stable import through close cooperation with exporting countries, ministry officials say. Special efforts will be made for the smooth operation of an agreement reached in August, 1975, between the United States and Japan for a total of 14 million tons of grains—comprising 3 million tons each of wheat and soybean and 1 million tons of feed grains—to be supplied by the United States to Japan annually.

But Toshiwo Doko, president of the Federation of Economic Organizations (Keidanren), has stated repeatedly that Japan should completely liberalize all 22 agricultural items whose imports are still subjected to quota restrictions, because such liberalization would benefit the Japanese economy as a whole.

Beef Prices

Japan and the United States were engaged in trade talks, the closing months of 1977 and early 1978, many Japanese farmers and industrialists publicly supported a U.S. demand for drastic expansion of beef import quotas for beef. Prices in Japan are believed to be at least three times the level in other countries, as evidenced by the fact that many Japanese tourists bring back large quantities of sirloin as souvenirs for families from overseas travels. Price differentials are believed to be widening as a result of sharp appreciation of the yen last year, especially in recent months. The Japanese government has been able to persuade the Ministry of Agriculture to agree only to increase Japan's overall beef quota in the latter half (Oct.-March) of

fiscal 1977 to 45,000 tons and to another increase of 5,000 tons in the first half (April-Sept.) of fiscal 1978, in addition to doubling the quota for hotel-quality beef imports to 2,000 tons in fiscal 1977 and another 1,000-ton increase in fiscal 1978.

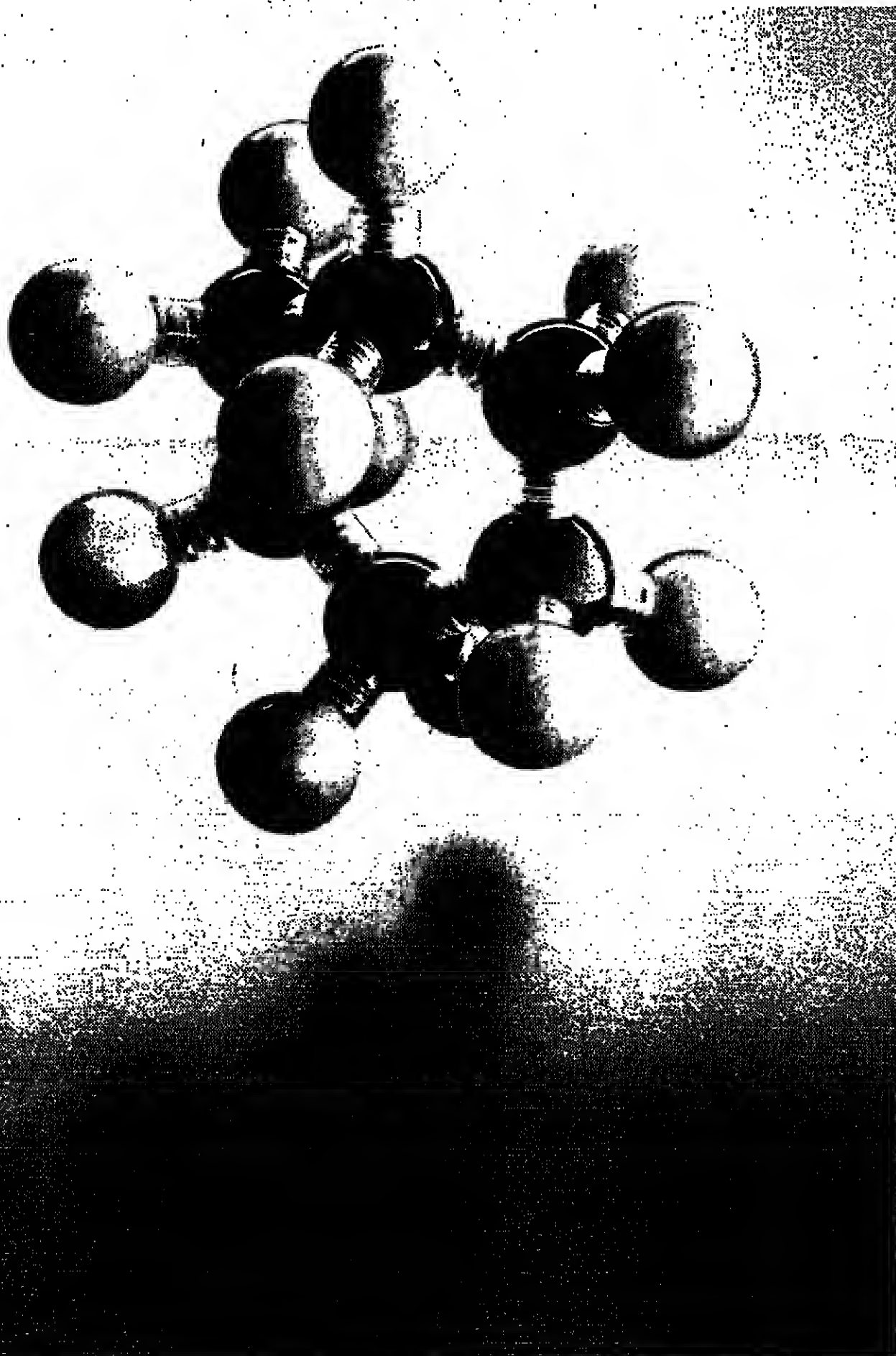
Japan also agreed to triple the imports of U.S. oranges to 45,000 tons and quadruple the imports of citrus fruit from the United States to 4,000 tons a year, with imports being limited to off-season periods for Japanese mandarin oranges. The Americans were not satisfied with these measures and have been pressing Japan for further increases in the imports of these items as well as beef in the Tokyo Round of multilateral trade negotiations. Japanese Agricultural Minister Ichiro Nakagawa is participating in final talks on these issues this month.

Meanwhile, New Zealand refused to initial a fishery agree-

ment with Japan on the grounds that Japan did not commit itself to increase its imports of agricultural products such as beef and dairy goods from New Zealand.

During the period of fast economic growth in Japan, agriculture lagged behind industry in the process of modernization. Between 1960 and 1977 Japan's farming population (persons actually engaged in agricultural production) was halved from 14.5 million to 7.2 million, but the number of farming households fell only 20 percent to 4,840,000 from 6,060,000. Out of total farming households, only 13.3 percent were engaged exclusively in agricultural production, the remainder concurrently working in industries or offices to stretch their agricultural incomes. The share of agricultural income in total national income declined from 10.2 percent to 5.0 percent.

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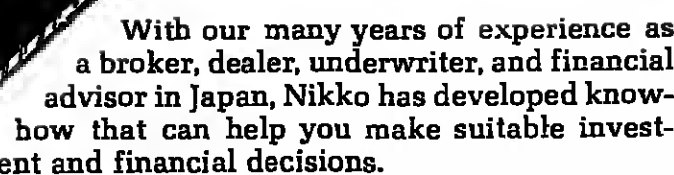
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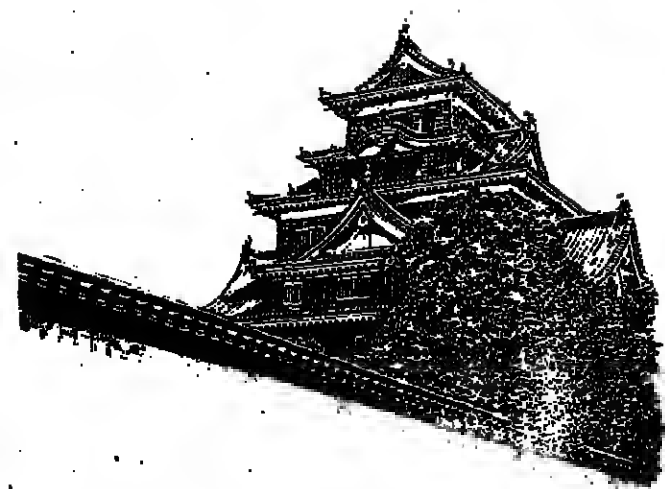
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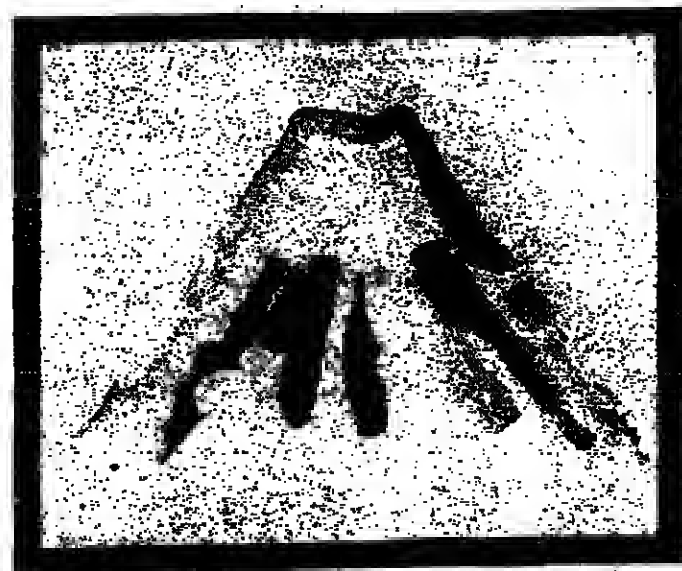


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日本

Military Is Designed for Peacetime — Not for an Emergency

TOKYO (IHT) — Despite a constitution that supposedly bans armed forces, Japan now ranks the 18th largest military power in the world.

Foreign observers consider its ill-trained army and air force probably capable of defending the islands against anyone, up to and including the Soviet Union, in conventional war.

But the Japanese Navy is judged to be inadequate for what should be a primary mission in wartime — protecting Japan's 6,000-mile long supply line, leaving the world's

second-largest economic power subject to blackmail by any belligerent country or even terrorist group between here and the Gulf. And it is unlikely that situation can, or will, be changed.

Japan's "peace constitution," reportedly written by the U.S. occupation forces after World War II, contains a clause that says: "Land, sea and air forces, as well as other war potential, will never be maintained." But that constitution was no sooner adopted than the Korean War broke out and the Americans reversed their position.

pushing Japan to rearm as quickly as possible.

In the past 30 years, a series of court decisions has interpreted the peace constitution to mean Japan can have no offensive forces. The judges have ruled that any country has the right to maintain forces for defense.

Japan now has 236,000 men under arms, with a total defense budget in fiscal 1978 of more than \$9.7 billion at current exchange rates.

In interviews with U.S. and Japanese military officials and Japanese

civilian experts, all of whom asked to remain unidentified, the Japanese forces were described this way:

• Ground self-defense force (154,800 men): Fairly well-trained; individual weapons and equipment good, heavy weapons mostly older models; logistics and supply poor; shortage of trucks, despite Japan being the world's second biggest vehicle producer ("an infantry division can transport only one regiment [of four] by trucks," according to one study); severe shortage of ammunition. Japan is also developing sophisticated surface-to-air missiles to replace U.S.-made Nike Hercules missiles now deployed at five Japanese bases.

• Air self-defense force (42,000 men): Very well-trained, fairly modern; 92 F-4EJ interceptors, 174 F-104J interceptors, both capable of Mach 2-plus speeds, 216 older subsonic F-86Fs; has decided to buy or build under license 123 F-15s, considered one of the best modern warplanes (all four planes are American); and the air self-defense force plans to buy six Grumman E2C Hawk Eye early warning radar planes in fiscal year 1979; first-line pilots get 200 hours of flight time a year, and average flight time for such pilots is 1,600 in 2,000 hours; has no airborne early-warning radar planes presently.

• Maritime self-defense force (39,000 men): Smallest of the three forces, with the smallest portion of the budget, 44 destroyers, 15 submarines, no large warships; can patrol Japanese seas but has no chance of maintaining security of Japanese oil or other supplies; about 200 anti-submarine aircraft, mostly older Orion P2V-7s and P-21s; has budgeted for 45 modern P3C Orions and for 11 new vessels, including five 20,000-ton destroyers and one 2,200-ton submarine; also plagued by logistics problems, with ammunition shortages most important. One study claimed many submarines are without torpedoes, and former general Hiroshi Kuriu, recently fired as chairman of the Joint Chiefs of Staff, pointed out that there is only one torpedo depot in Japan. "In case of an emergency, all our submarines will have to line up at the port of Kure to pick up their torpedoes," he said.

White Paper

A 1977 white paper called for the establishment of one squadron of airborne early-warning planes (there are none now), one more group of high-altitude ground-to-air-missile units (it now has five); two more submarines (there are now 14); and an armored division (to be set up by combining the present tank brigade with the present mechanized division).

Two of the Japanese Self-Defense Force's major problems are recruiting and discipline. The military has little or no prestige in modern Japan. Shunji Iwaka, military writer for the Asahi Shimbun, cites a meeting between the chairman of the Joint Staff Council, Adm. Takichi Iwata, and a high Japanese government official during a reception at the premier's residence. The official asked Adm. Iwata, in English, "What country are you from, Admiral?"

With no prestige, a low birth rate

and a decreasing number of young people, as well as strong demand for labor by private industry, and with 30 percent of high school graduates going on to college, recruiting is difficult.

In addition, the JSDF is often identified with the old Imperial Japanese Army, further hurting prestige.

Salaries for JSDF personnel are fairly high (\$177 per month, plus an \$850 yearly bonus), equal in or slightly above military salaries in Western Europe.

However, JSDF personnel are classified as public employees, like policemen or firemen. They may quit at any time, and 25 percent of new recruits do so in their first year. This means officers and sergeants must treat their men well, and avoid strict discipline.

Another major problem is restraints on freedom of action during emergencies. Gen. Kuriu lost his job as chairman of the Joint Chiefs of Staff in July for saying publicly that Japan's military would have to go beyond the limits of the law in order to react to an attack.

"Japan's self-defense forces have been designed for peacetime — not for an emergency," he said in a later interview. "The present self-defense forces law does not allow Japanese soldiers to engage an enemy in combat unless the premier, the Defense Council, the Cabinet and parliament have all had the chance to debate on the issue."

Under present law, for instance, a Japanese fighter pilot could not fire on an enemy jet unless he were first personally fired upon. When the Japanese pilot returned fire, his action would have to be justified under the criminal code as an act of self-defense.

'Limited Aggression'

The JSDF's biggest problem is lack of a believable enemy.

Japanese basic defense posture calls for the JSDF to be capable of repelling "small-scale, limited aggression." According to the 1977 defense white paper, there is not much chance of full-scale war in the current international environment. Unspoken but accepted by most Japanese is the idea that if full-scale war did break out, Japan could not do much about it anyway, since it would most likely be a nuclear war between the United States and the Soviet Union.

The white paper defines "limited and small-scale aggression" as "generally... carried out as a surprise invasion without that major advance preparation which could reveal the prior intent of such invasion" with the aim of presenting "a fait accompli within a given time-frame."

The paper also charges the JSDF with being able to take care of "intense domestic insurgency with external support, organized personnel infiltration and arms smuggling, or the covert use of force in Japan's nearby sea and airspace."

Domestic insurgency on any serious scale is considered highly unlikely. Japan is racially and socially homogeneous. Its largest minority groups — Burakumin (outcasts), Aizu and resident Koreans — are too small and unorganized to support an insurgency. For the same reasons, infiltration

would be difficult, and arms are strictly controlled.

For mainly political reasons, a confrontation stemming from the "covert use of force in Japan's nearby sea and airspace" is also unlikely. The government ignores the frequent infringement on Japanese sea and air space by Soviet ships and planes. Even the kidnapping in Tokyo of a top foreign political figure, former South Korean presidential candidate Kim Dae-jung, allegedly by the Korean CIA in 1973, brought only mild political reaction — a protest followed by an apology by South Korea.

That leaves the JSDF to deal with an invasion. For years, Japanese plans have been based on repelling an invasion by the Soviet Union, although even the most anti-Soviet Japanese — and the Soviets are generally disliked and distrusted by the Japanese — admit there is very little possibility that this will ever occur.

The industrial and population centers of Japan stretch along the eastern coast of Honshu, the largest home island, opposite the Soviet Union. They are about 1,000 kilometers from the Soviet coast, behind the range of mountains that runs up the middle of central Honshu. That makes it almost impossible for the Soviet Union to provide adequate air cover for an invasion of the main island.

Most experts agree that about the only place an invasion could be launched successfully by the Soviets is on the northern island of Hokkaido. The island is mostly undeveloped, with only a small population. Its northern tip lies just 30 miles from the Soviet island of Sakhalin, just off the coast of Siberia.

However, a large portion of the JSDF, especially air units, is permanently stationed on Hokkaido. While not equal in either firepower or training to the units the Soviet Union could bring to bear, those Japanese forces could delay the Soviets long enough for the United States to come to Japan's aid.

A U.S. military expert also noted that, even should the Soviet Union quickly take over Hokkaido, they would still have to mount a second invasion to get onto Honshu, where 90 percent of Japan's industrial strength is.

"Besides," he noted, "why should the Soviet Union want either Hokkaido or Japan?" The country has almost no natural resources. Its strength lies solely in the energy and ability of the Japanese people.

Security Treaty

A final and most compelling reason precluding a Soviet invasion is the U.S.-Japan Security Treaty, and the presence of U.S. forces in Japan.

The heated opposition to the treaty, which led to riots in 1960, has mostly died down. The Japanese Communist, Socialist and other opposition parties are still opposed to the treaty as a matter of policy. But their opposition has been downplayed.

There has been some recent discussion of the fact that the treaty does not compel the United States to come to Japan's aid. But few people doubt that the Americans would in case of an invasion.

The United States considers Japan "the keystone" of its Asian policy, and would be unlikely to let Japan go to the Communists.

The United States now has 46,000 troops (the only "combat" forces are 20,000 Marines, and even those are mostly support and air-riding personnel) and 200 aircraft. Japan is also home base for the U.S. Seventh Fleet.

Spending

Despite the lack of a clear-cut enemy, there has been steady pressure, both domestic and international, for Japan to increase its military spending.

Presently, that spending is limited to one percent of its gross national product. The United States spends more than 7 percent, the United Kingdom about 5 percent and West Germany around 3 percent.

The "one-percent barrier" has been strictly enforced by the opposition parties, now nearly equal in strength to the ruling Liberal Democratic Party, with the tacit consent of the LDP. With military spending kept so low, the rest of Japan's budget can be directed at maintaining economic success.

However, the United States would like to see that barrier broken. Criticism of Japan's "free ride" on defense has been strong recently, with U.S. senators and top political figures pushing for Japan to take more of the burden.

In addition, the "defense lobby" has been growing. Up until the past few years, talking about beefing up the JSDF was politically unpopular. But, now more than one member of parliament has been elected on a pro-defense platform, and public debate on the JSDF sees fewer demands for abolition and more demands for strength.

Further, a ranking Japanese defense official even told the national parliament in February that strictly defensive tactical nuclear weapons are not outlawed by the peace constitution. Keiichi Ito, head of the agency's defense bureau, was quick to add that the government had no intention of possessing such weapons, but he said the constitution tolerates the "least necessary defense force," and "nuclear weapons aren't any different from conventional weapons in this respect."

Such a statement even a few years ago would have meant a storm of parliamentary debate and instant resignation by the official involved. Mr. Ito's comment, however, brought little notice.

Although the one-percent GNP barrier has not been broken in more than 10 years, the absolute amount of the defense budget climbed steadily with Japan's phenomenal economic growth. From \$377 million in 1965, it jumped to \$1.6 billion in 1970 and to the present more than \$7 billion in 1977.

Political and military observers agree that the one-percent barrier will be broken soon, perhaps in the next couple of years. "At first, it will only go to 1.1 or 1.2 percent (of GNP)," one observer said. "But that will make it easier to raise it further."

Those favoring a stronger defense are careful to go slow for fear of stirring up domestic opposition, but even more for fear of bringing

out the latent anti-Japanese that still exists throughout legacy of World War II.

Japan's huge economic in the region already makes Asians uneasy, and there is a "Japan rearm" scare over a military spending program announced.

Economic power combined with a strong military would already present fears of Japanese domination in Asia.

Japan's present gradualist of its defense forces probably not be transformed much in change occurs in one of its structural concepts on which policy is based. Any motion United States (or of Japan's opposition parties) toward strengthening even renegotiating the U.S. Security Treaty, for example, would remove one of the reasons for Japan not to Without the United States on, Japan would be on its own with no other military ally.

But a reunified Korea would be a serious — perhaps not only if it were dominated by the North. Both Korea, large, well-trained armies modern weapons. Japanese Koreans share a mutual, and Japan would feel threatened by a unified Korea just 100 miles away.

Any change favoring out the other on the Korean peninsula would almost surely push into a sharp military build-up and domestic observers. And some feel that a unified with nuclear arms would be the few events that could lead Japan to develop nuclear weapons.

'Nuclear Allergy'

Nearly all observers dismiss possibility of Japan developing clear arms under present conditions, although they admit it is not easily done so if it is.

First, they say, there is the known "nuclear allergy." The country struck by an atomic in wartime, Japan's people been strongly opposed ever since. Advocating nuclear weapons is still a quick route to political

Second, it would be too sensitive. In order for nuclear to be effective, a U.S. official said, a nation must have to cause prohibitive damage to opponent, and it must be able to suffer a sneak attack without a "second strike" capability.

Japan is so small a target its population and industry could be hit by about 15 percent of its area, that one strong strike wipe it out, including land missile sites.

Therefore, Japan would have to mount its missiles on or submarines. And the building and maintaining of force would be prohibitive.

And finally, Japan would too much to lose by arming with nuclear weapons. All military Japan would incur with a sharp conventional build-up would be multiple times over if it went to weapons.

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Poll on European Opinion Produces Astounding Conclusion

TOKYO (IHT) — Some months ago, the Japanese Foreign Ministry announced the results of a Gallup poll it had commissioned on European public opinion concerning Japan. The findings came

as a shock even to those Japanese who were convinced that foreigners knew very little about things Japanese. The poll's conclusions that Japanese newspapers found most wor-

thy of comment was the astounding fact that 33 percent of British respondents saw Japan as either a communist country or a dictatorship. Another surprising misconception about Japan, again in Brit-

ain, was the belief of 44 percent of those polled that Japan either possessed or was about to possess nuclear weapons.

Forty-eight percent of West Germans questioned by the Gallup organization attributed Japan's phenomenal export successes to "low prices and low wages," while 35 percent of total respondents felt the same way. The issue of which most respondents — 70 percent — were acutely aware was that of Japan's huge trade surpluses.

The poll appeared to show that Europeans in the five countries surveyed (Britain, West Germany, France, Belgium and Italy) knew Japan to be an exporter of cars and electronic goods, but understood very little about the people who made these things.

This was not the first time the Japanese had been shocked by foreign misconceptions about their country. Ever since Japan began industrializing more than a century ago, the country has always been several steps ahead of the stereotypes by which it was known abroad. Even today, when a Japanese becomes indignant about just how little his foreign friends know about his country, he will say, "All you are interested in is Fujiyama, geishas and cherry blossoms."

Textbooks

According to the findings of a group of 50 scholars, such a remark is not too wide of the mark. The Tokyo-based International Society of Educational Information has been monitoring foreign textbooks for their treatment of Japan during the last 25 years. The organization found, to cite only two examples, a British textbook published in 1970 that used a turn-of-the-century photograph of a Japanese woman to illustrate the state of Japanese women today and a French textbook that had the emperor declare himself a god on Jan. 1, 1946, which was the day Emperor Hirohito actually renounced his divine status.

It is not only in Europe that Japan has an image problem. Earlier this year, an Australian nationwide poll of some 1,500 people concluded that the average Australian knows that Japan is an important trading partner but not much else. In the United States, Japan is seen

as an important ally by some 48 percent of the population, but Japanese steel companies, motorcycle manufacturers, color television makers and other exporters have suffered adverse publicity for alleged dumping activities.

In Southeast Asia, on the other hand, there seems to be nothing that Japan can do well in the eyes of the local people. Anti-Japanese riots occur regularly, generally timed to coincide with the visit of a Japanese premier.

Part of the problem of Japan's overseas image is that the Japanese themselves entertain an out-of-date stereotype of themselves. One former employee of the Japanese Embassy in Washington said, "In their negotiations with the Americans, the Japanese have found it convenient to assume the posture of a poor, resourceless nation with too many people. Japanese negotiators, in pressing for concessions from the United States, could always count on consideration from their rich ally and trading partner for any one of Japan's 'special predicaments'."

Today, with a trade surplus of more than \$20 billion, the Japanese are discovering the meaning of noblesse oblige.

Criticism

Japanese foreign aid has come in for severe criticism from developing countries and from advanced nations pushing for a reduction of the surplus in the Japanese current account. Nothing could be more damaging to a country's reputation in foreign aid than the examination of its poor performance in relation to other advanced countries. This is just what happened to Japan before the Bonn economic summit. So, submitting to foreign pressure, Premier Takeo Fukuda announced that Japan would double its official

aid figures in three years instead of five.

To the embarrassment of the Foreign Ministry, the Finance Ministry demanded that the figure to be doubled should be Japan's 1976 dollar total — which was just slightly more than \$1 billion dollars — and not the yen total. A compromise was reached. The figure to be multiplied will be the following year's total (\$1.4 billion). A Western economist calculated that because of the revaluation of the yen, the Japanese will be able to double their foreign aid in dollar terms by increasing the yen allotments only by about 15 percent a year.

The publication by the Organization for Economic Cooperation and Development of the rankings of its member nations in the aid category was again not very good publicity for Japan. Of 17 countries that form the OECD's Development Assistance Committee, 13 give a higher percentage of their gross national product in aid than Japan. Last on the list according to the ratio of grant aid to loans is Japan.

While the Japanese aid program has its drawbacks in promoting a favorable image of the country in the world, it has won some recognition. Many conservative critics of lavish aid policies, of whom Herman Kahn is perhaps the most vocal, have held up the example of Japan as the one donor country that achieves the most tangible results by forcing developing nations to live up to expectations.

Takao Tokoku, author of the book "Yellow Yankee," examining the relationships between Thais and Japanese, said: "Things have improved somewhat lately, but it was not so long ago that Southeast Asians did not understand that credit was just that and it had to be paid back."

Mr. Tokoku is equally critical of the Japanese for not coming to terms with their new role as a rich people. "The Japanese should be

reconciled to the fact that they will be hated because it has been the fate of all rich and powerful nations to become the envy of those who are poor," he said.

Some Japanese editorial writers, however, do not agree with Mr. Tokoku. The Gallup poll showing European ignorance of Japan prompted a mass-circulation newspaper, Asahi Shimbun, to ask for an immediate increase in the government's \$10.5 million budget to improve its image abroad.

The mood in the wake of the survey moved another writer, Kinji Kawamura, to comment in the same newspaper on the sad state of government-sponsored public relations. Mr. Kawamura, former head of the newspaper's foreign section, is now in charge of the Foreign Press Center, which promotes this country's image abroad through trips for foreign journalists. He called attention to the lack of up-to-date information about Japan in the United States and Europe and urged the government to set up information centers in the same way as the United States has done.

Editorial comments have stressed that Japan spends only half of what Britain and a quarter of what West Germany do to promote its image.

While the government is slow in responding to such calls for action, private companies are quick to grasp the meaning of good foreign public relations. One executive of partly government-owned Japan Air Lines explained that his company's ferrying European and Southeast Asian journalists on junkets is very important because the flag carrier's image is often synonymous with the reputation of the country. JAL has also co-sponsored several conferences and, in conjunction with the Japan Productivity Center, annually arranges a week-long orientation program for foreign employees of Japanese firms abroad.

The powerful Keidanren (Federation of Economic Orga-

has also been active when Japan's reputation is considered to be suffering. In trading partners had no trade balances. For example, in 1972, when Japan came round of criticism for a \$1.5 billion trade surplus, the federation spent \$250,000 on a class of management seminars from France for a seminar in Japan.

Business organizations generous to the late Nobu Yasunari Kawabata, and leadership of the Japanese U organized a convention in 1972 of scholars interested in Japan. It was from that that the Japan Foundation, an errand-backed funding, began to grant a series of funds to foreign universities for courses on Japan. If the 1972 conference drew for its lavishness and nationalism. Programs by hand-made mulberry painted exhortations to a quished foreign scholars their students not to harbor en notions of Japan.

The Keidanren is now to be planning a series of commercials for distribution abroad, advertising the relationship between Japan and other advanced countries.

Two companies, To Suntory, granted \$3.6 million London School of Economics encourage more serious modern Japan.

Nippon Steel, the world steel company, has enlisted employees in its campaign to understand properly. Corporation has printed a 50-page book, answering the typical questions brought foreigners about Japan, including that one stereotype of the Japanese as robots, wonder just how European businessmen will react to have questions answered in the same manner by every company in Japan.

There is little doubt that these sincere wish to be foreigners. When Premier pledged \$3.6 million yen to the Boston Museum of Fine Arts, a retired professor of Tokyo University of Education was so dissatisfied with what he promptly matched \$30 million yen from his own

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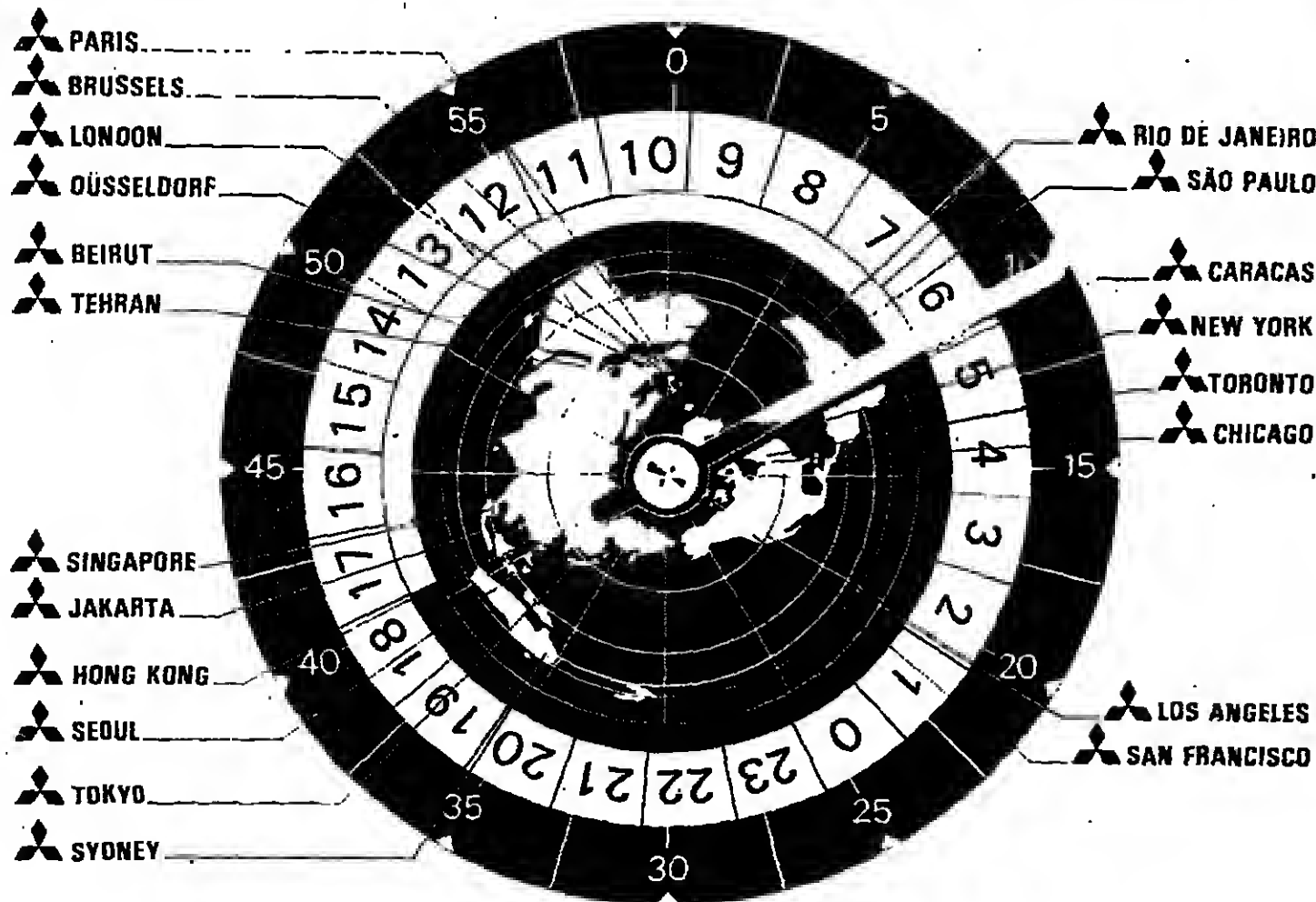
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Companies Now Learning How to Export Their Own Methods

O (IHT) — Japanese businessmen have already proved their brilliant capability of making their own products even more efficient and competitive. Although some critics speak disparagingly of the process, in reality the process is far more dynamic and innovative than imitation allows for, and they succeed as well in their own management methods to foreign

an increasingly important factor facing the Japanese now. Their economy has mushroomed to the third most powerful in the world, and pressures are mounting for Japanese corporations to internationalize their operations — not simply through exports, but through production to overseas markets.

At the end of the fiscal year, Japan's outstanding direct investments, on a cumulative basis, totaled \$22.21 billion, according to the Ministry of International Trade and Industry, and could rise to \$33 billion by the end of fiscal 1980, and to \$40 billion by the end of fiscal 1985.

Increasing portion of future growth is likely to go into manufacturing ventures, which have accounted for only about 30 percent of the total so far (the rest has been ploughed into real-estate and other non-manufacturing projects and industries). An increasing portion of the advanced industrial nations, which have so far accounted for about 40 percent of the total, are more North American, European, as well as Latin Americans and are going to find themselves in the Japanese bosses' problems, and how do they plan

Liabilities

Corporate executives do not give the answers themselves, they are giving the matter a lot of thought. One of the key aspects of traditional Japanese management practice have been enormous liabilities when the companies abroad. Such aspect is the traditional approach to making decisions, which is the process by which every clerk and messenger

has to be consulted before investment decisions can be finalized. In reality, leading Japanese executives, after seeking the consensus, seize the initiative and make the tough decisions themselves.

But a great deal of consensus-seeking through informal discussions, consultations and bargaining, is generally regarded as indispensable, and individual decisions on major issues by the man at the top are generally taboo.

The drawback of the Japanese decision-making process in an overseas operation is that it restricts Japanese companies' access to the best available foreign executive talent; participation in the consensus-building process calls for a familiarity with personal contacts, and individual decisions are not to mention the difficult Japanese language — which no non-Japanese could reasonably hope to acquire.

Other Aspects

Other aspects of traditional Japanese management — notably the system of seniority based on age — also can add to the difficulty Japanese firms have in offering attractive career opportunities to foreign employees.

Add to this a host of other problems relating to the language barrier, cultural differences between the Japanese and peoples of almost all other nations, plus lingering historical resentment towards Japan in some areas, and one has an idea of what Japan's corporate planners are up against in establishing overseas business operations.

While the record of achievement is uneven, many Japanese corporations are taking great pains to adjust to overseas management. They are trying to find which of their business methods are exportable, and which are best left at home.

Electronics companies — several of which have moved to the United States to substitute local production for much-criticized exports — are a good example, despite a variety of teething problems.

Sony Corp. demonstrated considerable managerial ingenuity and flexibility in overcoming serious union troubles on the way to making its San Diego color television plant a successful operation.

Matsushita Electric Industrial Co., which several years ago bought from Motorola its Quasar color TV production division, wisely refrained from introducing U.S. workers to the daily singing of the company song (opening lines: "A bright heart overflowing with life linked together/Matsushita Electric"); but the company did introduce the latest Japanese produc-

tion equipment at the Franklin Park, Illinois plant as part of its program for putting the previously floundering company into the black.

In general, the experience of these firms, and of many other companies operating in different fields (such as Kikkoman Shoyu Co., which overcame strong local hostility to its soy sauce plant in rural Wisconsin) indicates that the basic Japanese management philosophy of involving the employee in various aspects of corporate life, and ensuring above all that he feels he "belongs," is a highly exportable one (although some firms have found that the Japanese idea of company loyalty can hardly be instilled into foreign employees as it can into Japanese ones; in some cases they have learned that loyalty can only be bought with increased pay and other incentives, which might not be necessary in Japan).

In many Japanese-owned plants overseas, the willingness of Japanese management to spend time on the shop floor appears to have won the respect of workers used to more elitist managerial attitudes.

But much bigger tests of Japanese managerial skills in the U.S. are yet to come.

In the manufacturing sector, car-makers appear to be the most important potential investors.

Two motorcycle manufacturers, Kawasaki and Honda, are already manufacturing or planning to manufacture motorcycles in the United States, and Honda could expand to car production later.

But the biggest investments are expected from the two Japanese vehicle giants, Toyota and Nissan.

Japanese automakers are moving abroad for the same reasons as electronics manufacturers — to replace exports with local production and head off the protectionist threat. But the investment scale in production facilities by Toyota or Nissan would be far greater than those made by electronics firms, and the management problems would be proportionately more complex.

The experience of Japanese companies investing in Europe has been less extensive and perhaps less happy than in the United States.

In Britain, which has taken about half of total Japanese direct investment so far in Western Europe, there have been some success stories, including the YKK company's zipper factory, and Sony's TV plant at Bridgend in Wales.

But not all operations have been successful.

Late last year, for example, Hitachi Ltd. abandoned its plans to

manufacture TV sets in Britain after it failed — despite persuasive arguments — to convince the local unions that the venture would not destroy more jobs than it would create.

Frictions caused by the incident were limited, however, by the tactical manner of Hitachi's withdrawal. Since then Japanese companies have been listening to British government suggestions that the best way to enter the British market might often be through joint ventures with local firms, rather than through wholly-owned subsidiaries.

Recently, Toshiba Corp. announced it would take a 30-percent stake in a color TV joint venture with the Rank Organization Ltd. The new joint company plans to expand and alter existing Rank assembly lines, introducing the latest Toshiba technology in an attempt to restore profitability to Rank factories in Plymouth, Devonshire.

The major problem with Britain as an investment area, in the eyes of Japanese corporate executives, still appears to be difficult labor relations — despite repeated efforts by British government spokesmen to assure the Japanese that Britain's labor problems have been blown out of all proportion to the truth.

Also, some Japanese corporate planners feel — again, despite government assurances to the contrary — that their investment presence is "not really wanted" in Britain and

other European countries, and that European business attitudes are too conservative.

The problems for Japanese companies investing in Asian production ventures are different from those encountered in the Western industrialized nations, but they are no less difficult to resolve.

Asia has claimed more than a quarter of total Japanese overseas direct investments so far, and Japanese investment flows to the region seem certain to continue strong, both for resource development projects and for manufacturing ventures.

But despite such advantages as low wages and geographical proximity, many Japanese businessmen do not relish investment in Asia. Some complain that many Asians "simply do not like the Japanese," while others talk of unstable business conditions.

A deep-seated resentment towards Japan remains in some Asian countries, based partly on historical considerations but also on what is regarded as overly aggressive post-war business invasions, without regard for local social and cultural conditions.

A number of developments — such as Premier Takeo Fukuda's visit last year to the Association of Southeast Asian Nations summit meeting in Kuala Lumpur when he pledged \$1 billion in Japanese aid to ASEAN projects — have done

much towards dissipating such resentment.

In fiscal 1977, while Japanese direct investment in the United States rose to \$686 million from \$663 million the previous year, investment in Asia dropped to \$865 million from \$1.24 billion.

The drop was of sufficient concern to the Japanese government — which has proclaimed its commitment to expanded economic and cultural relations with ASEAN — for MITI to urge private Japanese companies to send a special mission to ASEAN countries to investigate ways in which Japanese direct investment can be stepped up.

Japan's global overseas direct investments also declined in fiscal 1977 by 19 percent from the year before to a total of \$2.81 billion. But the decline reflected prevailing worldwide economic uncertainties (nor were Japanese companies keen on domestic investment last year because of the economic slump and under-use of existing production facilities). When the uncertainties clear, an uptrend in Japanese foreign investment can be expected.

In the manufacturing sector, besides the need to manufacture overseas or risk seeing their exports shut out of certain markets abroad, there are two other factors for looking abroad. One is the sharp rise in labor costs within Japan. The other is the phenomenal rise in the value of the yen — to around 190 per dol-

lar at present from close to 300 at the start of 1977 — which has made the price of many overseas assets extremely attractive to Japanese investors. (The snag here, of course, is that the earnings generated by production facilities, as well as the facilities themselves, will be denominated in the foreign currencies that have fallen in value against the yen. The trick is for the Japanese to buy when the foreign currency hits bottom, and wait for a rise.)

With regard to resource-related investment, an uptrend can also be expected in line with a healthier world economic outlook, given Japan's insatiable appetite for raw material supplies and its desire to ensure them on a stable basis.

In addition, the Japanese government is anxious to see more overseas direct investment as a means of reducing the overall surplus in the Japanese balance of payments.

Multinationals

Investment overseas by Japanese companies resembles the initial move abroad by the U.S. corporations that created the first multinationals. Like the U.S. firms, they are acting not out of some grand global corporate strategy but in response to specific needs or perceived threats.

In virtually all other respects, however, the Japanese experience is different from the U.S. one. It is clear that for the Japanese, ventur-

ing overseas is a much more daring prospect than it was for Americans.

In the last analysis, the fundamental strength of the Japanese business management system derives from the culturally homogeneous and relatively isolated environment in which it has been able to develop.

Japanese managers have long relied on culturally induced values rather than explicit organizational mechanisms — to motivate the men beneath them.

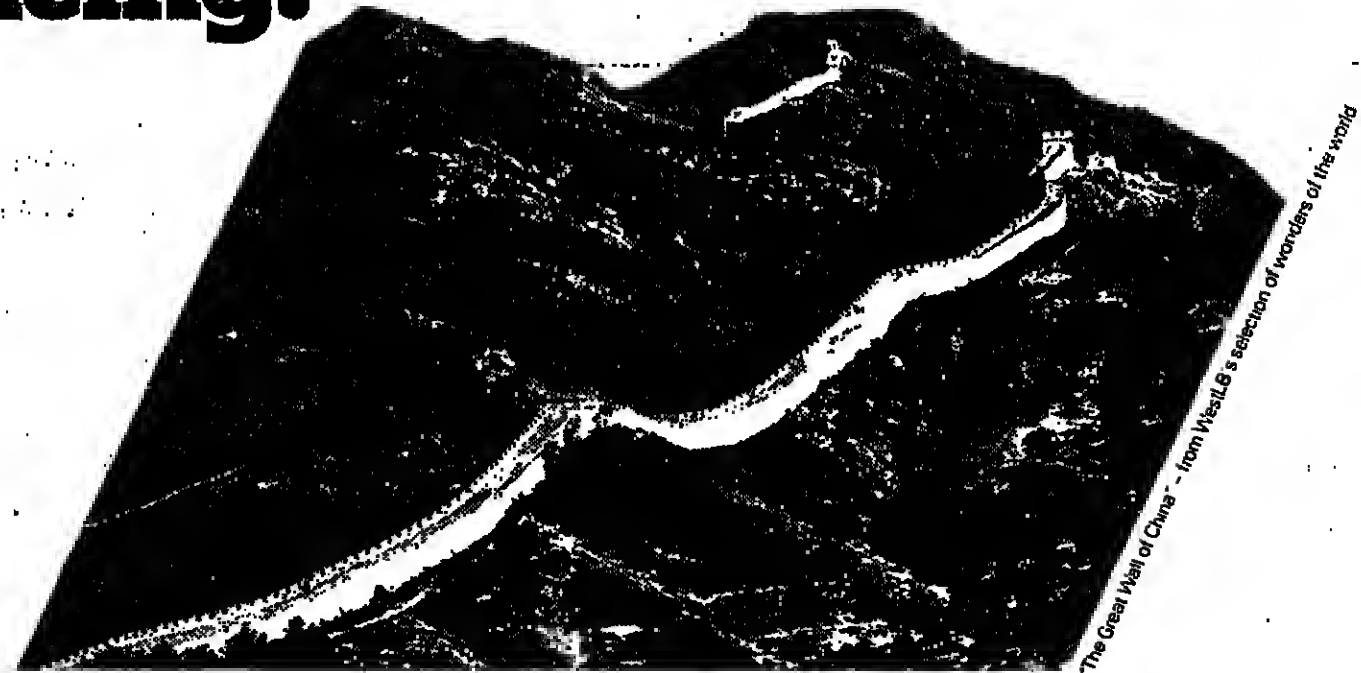
Overseas, with foreign employees, they can no longer do so. The challenge, then, is to add management practices to alien cultural concepts, without letting those concepts disrupt the efficacy of the original Japanese model. Although the task is difficult, Japanese ingenuity should not underestimate it.

At present, most major Japanese corporations with overseas operations are still far from being multinationals in the usual sense of the term: more or less decentralized operations with a fair degree of autonomy for overseas subsidiaries and affiliates.

But it is not beyond the Japanese to redefine the term "multinational" itself, just as they have redefined a variety of Western concepts in the course of their rapid postwar economic expansion.

—N.A.

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Average Person Does Not Feel He Enjoys a Leading Standard of Living

OKYO (JHT) — No one can say the Japanese lack national pride. For more than a century the goal was to catch up with industrialized West. When Japan overtook the West German national product in 1970 to come, the world's third largest economy, the government and media...

The Japanese have an obsession with their housing problem, and they cannot be blamed for it. Many spend most of their working lives saving the \$150,000 needed even for an average house and small garden in an ordinary middle-class suburb.

Taxes

Yet it is a problem entirely of their own making. The government follows a policy of heavily taxing the profits of land sales and of not taxing farmers and others who hold on to land badly needed for urban development.

Added to the natural conservatism of the Japanese on questions of land and the rapid growth of middle-class affluence, this produces unreasonable land prices. The Japanese say their prices are high because they live on cramped, mountainous islands. When asked why land-hungry Singapore can...

house its citizens at a fraction of the cost than in Japan, they are hurt and embarrassed.

Higher

Indeed, given the large area of developable land surrounding the main Japanese cities and the excellent commuter train networks radiating well into the countryside, Japan's land prices should be lower than those around most Western capitals.

In fact, they are about four to five times higher.

The high land prices do not distort the GNP comparisons. For the most part, they simply represent a transfer of wealth from one Japanese to another.

What distorts the GNP figures is the high prices of services. The main components in living costs are services that cannot be traded, like the simple restaurant meal that in Japan could easily cost \$50 per head, the cup of coffee \$1 and the haircut for \$7. Here simple GNP comparisons go haywire.

Middlemen

Other figures tell the same story: a two-block bus ride, 50 cents; a game of golf, \$100; an hour or so at a downtown bar, \$500 (or more); a 10-minute taxi ride, \$5.

Even those low-priced TV sets and transistors manage to jump a good 50 to 100 percent in price by the time they have passed through Japan's distribution system, with its layers of middlemen.

A look at the latest duty-free price list for East Asian airports is instructive. The distribution costs of moving French perfumes and Scotch whiskeys out of their containers and into the hands of plane travelers would seem to be minimal. Yet Japan manages to head the list on every item — sometimes by as much as 50 percent.

A U.S. study of Japanese beef prices, which reflect the sad state of both the agricultural and the distribution industries in Japan, says that to reach parity with the United States, the exchange rate would have to be around 1,600 yen to the dollar.

In short, the nation with some of the world's most efficient manufacturing industries has many of the world's most inefficient service industries, particularly if labor costs are considered. It is a distortion that has long existed in the Japanese economy but has been...

disguised by the artificial valuation of the yen.

Now that the yen is forced to move to a more trading level, the gap is apparent. Even the J. whose basic instinct is to the service industries as an economic activity, fit into absorbing the old, weak and unemployed, finally and something is seriously wrong.

White Paper

In its white paper released August, the Economic Planning Agency noted that whereas productivity gap between the least efficient industries of the United States was about 10 percent, the gap in the most productive 88 times more workers in the least efficient industries (agriculture and trading).

The agency compared economy to a Tokyo district of new skyscrapers planned development are up through a sea of shabby, rickety cafes and pinball machines. Skyscrapers represent Japan's manufacturing industry; shabby cafes and pinball machines represent the inefficient service industries.

It is a good if depressing lesson. But it has its silver lining. gleaming skyscrapers are cleaning up the backward, their society, once they decide so. In just five years, they have a model for city-center development on a par with the best.

If the Japanese ever in their service industries in general and the recent rapid growth indicates what can be done will find a new growth area valid and as large as the maturing industries that have raised their growth for the past three generations.

Not only will the GNP continue to improve, they will become a lot more meaningful. There are few advanced economies today with that sort of potential for further and sustained growth.

—K.I.

...the nation with some of the world's most efficient manufacturing industries has many of the world's most inefficient service industries. . . It is a distortion that has long existed in the Japanese economy. . .

Officials 'Descend From Heaven' Into Second Career

TOKYO (JHT) — The Japanese call it an *amakudori*, which means "descent from heaven." The term aptly describes the Japanese system in which government officials upon retirement move into choice positions in private business. The practice is hardly unique to Japan. Although in countries such as Britain the practice is frowned upon, the shift of government officials, especially those in high positions, to lucrative jobs in the private sector is a common phenomenon in many parts of the world.

What makes Japan different is the pervasiveness of the practice and the successful results it has produced. Indeed, if close association between government and industry has been a major factor behind the national cohesiveness that raised Japan to its present economic position, it is *amakudori* that has helped sustain that association.

Top-ranking civil servants enjoy high prestige in Japan. To enter government service as a career it is necessary in the first place to have graduated from one of the nation's top universities and to have passed tough civil service exams. As a result, leading bureaucrats are...

among the nation's intellectual elite.

In their positions in the ministries, they wield a degree of influence often far beyond the authority of civil servants in comparable posts in other countries. As the term "descent from heaven" suggests, the only direction in which they can move in changing jobs is downward.

Income

Downward perhaps in influence, but not so in terms of income. As chief executives in private business, they usually earn far more than they did as bureaucrats.

The Mainichi newspaper wrote in a recent editorial: "Even in these days when almost every enterprise is trying to cut its manpower as a means of coping with the prolonged recession, high-ranking bureaucrats seem to be completely free from any worries about re-employment after their retirement."

Last year, the National Personnel Agency approved 197 out of 2,400 applications from retired high-ranking civil servants for employment in private firms. Retiring Japanese civil servants who held managerial positions are...

prohibited by law from taking jobs for two years after retirement with companies that deal with departments and posts to which they were assigned in their final five years of civil employment. However, exceptions can be and are made by the agency at its discretion. While charges of collusion are not uncommon, it is also a fact that a close relationship between government and industry through *amakudori* executives is accepted as the normal pattern of operation. A corporation will seek the services of a retired bureaucrat for the extent to which his influence in his former ministry will help the corporation.

The whole system is strengthened by traditional junior-senior relationships in which younger men in the bureaucratic (or company) hierarchy become obligated to their department chiefs who have looked after them, even after the chiefs have been retired or transferred.

Another contributing factor is the group-oriented thinking of the Japanese that breeds a group loyalty alien to the individual-oriented society of the West. Group loyalty, whether it is to school, social or business, binds group members even after a member has departed from his group.

The Japanese, of course, rarely admit this. Group loyalty is so ingrained in traditional behavior that it comes naturally, unconsciously.

The two years a retiring bureaucrat must wait before taking a job with a company over which he had jurisdiction as a civil servant does little to dilute the loyalty built up over a lifetime career.

But while there is the temptation for companies to use *amakudori* bureaucrats to pull strings for favorable government consideration, on the whole there is remarkably little abuse. This is undoubtedly what keeps the system operating so successfully.

There were charges of collusion following the involvement of Tokujiri Wakasa, former president of All Nippon Airways, in the Lockheed scandal. Mr. Wakasa was deputy minister of transportation before he joined Japan's second largest airline. And there are probably other cases that are unpublicized.

Because of Japan's custom of early retirement, hundreds, even thousands, of civil servants with a wealth of talent and managerial experience find themselves out of...

jobs. With Japan's economic success built on the hand-in-glove association between private business and government, *amakudori* bureaucrats are able to perform a useful function.

This inevitably leads to situations in which managers who have come up through the ranks in private industry find their paths to further promotion blocked by *amakudori* bureaucrats. And there have been protests. The staff of the Tourist Information Center in Tokyo and the Japan National Tourist Organization's union have gone on strike to protest the appointment of *amakudori* officials to key posts.

One of the issues was that JNTO is a subsidiary of the Ministry of Transportation. While retiring bureaucrats entering private business are usually selected for their abilities and fields of experience, those moving into semi-official government organizations are not always selected by this yardstick.

As large private corporations customarily give retiring executives positions in their subsidiaries, the government farms out its top bureaucrats — those untapped by private industry yet having years of...

usefulness ahead — to its semi-official organizations.

The issue was the subject of debate in the Diet when an opposition Socialist member accused the government of allowing ranking bureaucrats to monopolize more than half the top executive posts in semigovernmental corporations. Attacking what he called the "bureaucrat's paradise," he charged that 60 percent of the executive positions (487 executive posts) in the 112 semigovernmental corporations, are held by *amakudori* bureaucrats.

The Finance Ministry traditionally has the highest number of *amakudori* bureaucrats. Of the 197 leading civil servants approved for "descending" last year, 49 were from this ministry, 21 were from the Construction Ministry, with 19 from the National Tax Agency, 18 from the Ministry of International Trade and Industry and 17 each from Transportation and Post.

Of the 197, some 70 were given positions of president, vice-president or senior director. Of these, 34 were less than 50 years of age, 158 were in their 50s and five were in their 60s.

—K.I.



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MITSUI & CO. EUROPE GROUP
Mitsui & Co. Europe Ltd.
Temple Court, 11, Queen Victoria Street, London EC4N 4BQ
Tel. 01 600-1777 Telex 288531

Western Europe
London 01-600-1777
Dublin 01-775179
Athens 3602425, 3619738
Oslo 412944/5, 413479
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Stockholm 081 23-46-70
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Casablanca 26-17-78
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Representative Office